

Board of County Commissioners Agenda Request

Date of Meeting: August 30, 2005
Date Submitted: August 24, 2005

To: Honorable Chairman and Members of the Board

From: Parwez Alam, County Administrator *PA*
Lillian Bennett, Human Resources Director

Subject: Approval to Award County Employee Health Insurance Services

Statement of Issue:

At the recommendation of the Health Insurance RFP Evaluation Committee and Mercer Human Resource Consulting, this agenda item requests Board approval to award County Employee Health Insurance Services to Capital Health Plan (CHP) and United Health Care (United) for the 2006 Plan Year (Attachment #1). Additionally, Board approval is requested to negotiate and finalize an agreement with both insurance carriers and authorize the Chairman to execute.

Background:

On February 22, 2005, the Board held a workshop to discuss County Employee Health Insurance Options (Attachment #2). On March 22, 2005, the Board ratified actions taken at the Board Workshop on County Employee Health Insurance Options that included approval to issue a Request for Proposal for County Employee Health Insurance. The Board also directed staff to bring back additional information (Attachment #3).

At the May 10, 2005 Board meeting, staff provided a Status Report on County Employee Health Insurance. As requested by the Board, the status report included updates on the Request for Proposals, Consultant Agreements and a Market Share analysis of CHP, Vista and United (Attachment #4). On April 26, 2005, an Agreement and scope of services was finalized with Mercer, Human Resource Consulting to evaluate the RFP responses. On May 19, 2005, a Health Insurance RFP Evaluation committee was established. The committee was comprised of representatives from the Board and each Constitutional Office as follows:

Health Insurance RFP Evaluation Committee

Lillian Bennett, Chairman, Human Resource Director	John Stott, Clerk of Courts
Joe Sharp, Health and Human Services Director	Cindy Kelley, Supervisor of Elections
Joe McCabe, Leon County Sheriff's Office	Barry Brooks, Tax Collector
Michelle Weathersby, Property Appraiser	

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All of the carriers provide adequate PCP access for Leon County's employees. Similarly, all carriers appear to provide adequate hospital and pharmacy access. An analysis of the physician access, as well as the local provider directory for United is included as Attachment #9.

RFP Evaluation Committee Selection

Upon completion of the review of each of the health plans submitted by each vendor, the RFP Evaluation committee, under consultation from Mercer, narrowed the plan alternatives to the following two options:

- **CHP/United Health Care HMO**
- **CHP/Blue Cross Blue Shield PPO**

The CHP/Vista option, the current plan offered by the County was not recommended by Mercer due to Vista not meeting the A.M Best rating of "A" as required in the RFP nor meeting the minimum Mercer financial guidelines (Attachment #10). However, the RFP Evaluation Committee rated all three-vendor plan options including the current CHP/Vista plan option based on a one or two provider option and the evaluation criteria outlined in the RFP. Please note that a third provider option was not considered due to the requirements of the RFP. In addition, carriers would have to resubmit proposals as being one of three providers, which could potentially result in increased costs. A summary of the committee's ratings is outlined as follows:

Table #1
Health Insurance RFP Evaluation Committee Ratings

Evaluation Criteria	pts	CHP/Vista Renewal Dual Choice Option	CHP/BCBS Dual Option	CHP/United Dual Choice Option
Scope of Service, plan design, and integration of plan functions	15pts	38	65	71
Cost of Services, including multi-year rate guarantees/rate caps and performance guarantees	25pts	87	104	116
References and experience with similar clients, including responsiveness and financial stability	15pts	30	68	72
Hospital and Physician network/disruption	20pts	80	94	88
Reporting capabilities, online capabilities, interface with vendors	10pts	25	43	50
Customer Service, including location and hours of service, quality controls, contracts	5pts	17	22	25
Minority Vendor Participation	10pts	0	0	0
Committee Members Total	100pts	277	396	422
Grand Total Average		55	79	84

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None of the vendors met County minority participation goals during the RFP process (Attachment #11); however, both CHP and United have agreed to subcontract a minimum of 15.5% of services under this Agreement with certified minority vendors.

Based on the evaluation criteria outlined in the RFP and the rankings by each committee member, the RFP Evaluation Committee has selected the CHP/United Health Care HMO option as the recommended option for the 2006 plan year. The total cost of this option is \$12,965,348 annually. Following negotiations with United, the premium rates for both United and CHP are basically the same. After years of experiencing double digit increases, this means that for Plan year 2006, there will be no increase in health care premium rates for employees who enroll in either CHP or United.

Table #2
Comparison of Annual Estimated Cost

	Current 2005 CHP/Vista Costs	2006 CHP/Vista Costs	2006 CHP/BCBC Costs	**2006 CHP/United Costs
Total Cost	\$13,625,898	\$13,199,055	\$13,313,077	\$12,965,348
Cost Savings		\$ 426,843	\$ 312,821	\$ 660,550
% Decrease from 2005 costs		3%	2%	5%

*Vista cost savings due to declining enrollment numbers. Premium rate increase of 8.5% for 2006

** CHP/United Option reflects flat premium, no increase rate for 2006 from both carriers.

The benefits of the CHP/United option include the following:

- Maintains the Current Plan Design, Co-pays and Employee/Employer Contribution Rates
- Access to CHP staff employed physicians
- Access to the United Health Care National HMO Choice Plus Network
- No Increase in Premium Rates for Plan Year 2006
- 5% Reduction in Total Cost over Plan Year 2005
- Minimal Employee Disruption - 26 Vista employees must change primary care physicians
- Provides employees with a choice of two very good health options
- A.M. Best Financial Rating of "A" for United and "A-" for CHP
- Maintains competition amongst two very strong, financially stable, insurance carriers
- Automation of Billings and Reconciliations for Clerk's Office
- Performance Based Contract with Improved Reporting and Performance Standards
- Status Report to the Board on Vendor Performance at Annual Renewal

The CHP/Blue Cross Blue Shield Plan Option was also a very good plan for the County. This option could not be offered along side another vendor's plan. The plan cost was 2.7% above current CHP employer plan cost. The committee was not opposed to this option; however, with the positive results of the competitive process, the committee does not wish to compromise that process in the future with the selection of a sole provider. Accordingly, staff requests Board approval to negotiate an agreement with CHP and United for the 2006 Plan Year and to authorize the Chairman to execute. Each of the finalist comparisons of plan designs and total cost is outlined in Attachment #1.

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Self-Funded Health Insurance Plan

The Board directed staff to have Mercer look at the feasibility of establishing a self-insured health plan for Leon County as a potential means to control costs. Mercer has performed that analysis and it is included as Attachment #12. Due to the success of the competitive process, and the flat rate increases for the 2006 Plan Year, staff does not recommend the establishment of a self-funded health plan at this time. The Board may want to review this alternative at a future date.

Health Insurance Consortium

Staff has continued discussions with the City and the School Board on the potential for establishment of a Health Care Consortium. The City's consultant has prepared a white paper on the advantages and disadvantages of such a pooling arrangement (Attachment #13). Based on the loss of complete decision-making authority by the Board regarding County employee's health care plan, the major differences in plan design and the level of employee contributions, staff recommends that the County not pursue the health care consortium at this time. In addition, all three governments currently contract with Capital Health Plan and are community rated. This essentially means that each entity shares in the liability and rate setting of the other. In a sense, the pooling or consortium arrangement, at some level, is already taking place, while at the same time allowing each government entity control over its own health plan.

In summary, staff recommends the Capital Health Plan/United Health Care HMO Option for the 2006 Plan year with a flat rate, no increase in premium rates from both providers. Staff requests Board approval to negotiate and finalize Agreements with each vendor. The Agreement will have a three-year term, with an option of three one-year renewals for a maximum period of six years. Staff will develop a communications and transition plan for the 195 employees with Vista who will need to select either the CHP or United option. It is estimated that approximately 26 of these employees will be impacted and will have to change primary care physicians. They will still receive continuation of coverage for pre-existing conditions from both CHP and United. Both CHP and United have been invited to give presentations to employees at educational sessions during the Open Enrollment period in November 2005. Staff also recommends that due to the success of the competitive process, that the Board not pursue the Self Funded Health Plan or the Health Care Consortium at this time.

Options:

1. Approve the award of County Employee Health Insurance Services to Capital Health Plan and United Health Care for the 2006 Plan Year.
2. Direct staff to negotiate and finalize an agreement with Capital Health Plan and United Health Care for the 2006 Plan Year, and authorize the Chairman to execute.
3. Due to the success of the competitive process, direct staff not to pursue a Self Funded Health Plan or Health Care Consortium at this time.
4. Board Direction.

Recommendation:

Options #1, #2 and #3.

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Attachments:

1. Mercer Leon County 2005 Medical Renewal Summary
2. Workshop Agenda dated February 22, 2005 (w/o attachments)
3. Ratification Agenda dated March 22, 2005 (w/o attachments)
4. Status Report Agenda dated May 10, 2005 (w/o attachments)
5. Mercer Report Notebook on Leon County 2005 Medical Marketing and Review Analysis
(Copies available for review in 5th floor County Administration Reception Area and Human Resources)
6. Mercer Report Executive Summary of Benchmarking Survey Results
7. Map of United Health Care Choice Plus Nationwide Network
8. Listing of United Health Care Center's of Excellence
9. Physician Network Analysis/United Local Provider Directory
10. Mercer Analysis of Carrier Financial Ratings and Rating Explanations
11. M/WBE Analysis of RFP Respondents
12. Mercer Analysis of Self-Funded Health Plan
13. City of Tallahassee Consultant Report on Consortium Pooling Arrangements

PA/LB/AC

MERCER

Human Resource Consulting

Leon County 2005 Medical Renewal Analysis:

Marketing and Renewal Summary

Presented to Leon County Board of County Commissioners

August 30, 2005



Marsh & McLennan Companies

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Mercer HR Consulting Page 6 of 113
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Executive Summary

SUMMARY OF FINALIST RECOMMENDATIONS AND PLAN DESIGNS

The Selection Committee met with Mercer on July 13, 2005 for an initial review of the proposed health plans for Leon County's 2006 renewal. Mercer reviewed the proposed plan designs, costs, network access and financial ratings of the three (3) carriers that proposed health plan options, and made the following recommendations to the committee:

- Continue to offer the Capital Health Plan (CHP) HMO option for the following reasons:
 - CHP has offered its HMO with no increase over the 2005 rates
 - CHP offers a network of contracted providers that are not included in other alternative carrier networks
- Offer options that include prescription drug coverage, since the cost of "carving out" Rx with a Pharmacy Benefit Manager (PBM) did not appear to offer any savings
- Offer a second option alongside CHP, with comparable benefit levels to the current plan options
- Eliminate options that were total replacement plans and compare dual options closest to current plan design
- Select options that allow retirees moving outside the North Florida area a plan with a national network

Mercer has compared selected dual option plans based on the recommendations presented on July 13th, and reviewed the finalists' plans and total cost with the committee on July 26th. Those comparisons are shown in the following pages. Based on the total cost, the network access on a national basis, and the financial ratings of the carriers, Mercer would recommend that Leon County offer the current CHP HMO plan with either the BCBS PPO or the United Healthcare national HMO plan. Both the UHC HMO and BCBS offer a network of national providers that can be accessed outside of Leon County.

We would also recommend eliminating the Vista HMO option due to the company's financial ratings and the fact that Vista offers no national network for retirees living or traveling outside the area. We believe that the fact that A.M. Best downgraded Vista to a C rating in July of 2002, and has not changed its rating since that time, eliminates Vista from consideration based on RFP evaluation criteria.

Mercer

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Executive Summary

SUMMARY OF FINALIST RECOMMENDATIONS AND PLAN DESIGNS (cont'd)

In response to questions posed by the committee, Mercer has confirmed that: 1) if either United Healthcare's HMO or the BCBS PPO were selected as the second plan option, benefit plans offered to retirees would be the same group plan offered to active employees, and not individual plans; 2) employees and retirees would be able to access care on a national basis simply by calling the toll-free number for that carrier, or by accessing network directories online to find a network provider in their area; and 3) emergency care is always covered outside the service area at the closest facility available.

Claims are processed in Florida for both the BCBS and UHC plans, and are paid regardless of where services are accessed. The UHC HMO will only pay non-emergent claims for in-network HMO providers; Blue Cross will pay claims out of network on a reduced benefit basis.

Finally, the rates proposed are the same regardless of where the member lives. The plans have been priced based on the census, including any out of area members. The UHC physicians are generally paid on a negotiated fee basis, not a capitated basis, and those fees do not change based on geographic area.

The following pages summarize the benefits and costs of the recommended plan of the proposing carriers. United Healthcare has reduced its initial proposed rates based on updated information regarding retirees' coverage and geographic areas. The revised rates are reflected in the comparison.

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Executive Summary

CAPITAL HEALTH PLAN / BLUE CROSS BLUE SHIELD PPO PLAN SUMMARY

Capital Health Plan (CHP) proposed a flat renewal for your existing HMO plan. Their current plan is a dual option in conjunction with Vista Health Plan, and may continue to be offered as a dual option with other carriers, including the Blue Cross Blue Shield PPO plan that CHP brought to the table as an option. The total annual cost of the CHP and BCBS PPO option is \$13,313,077.

The CHP HMO plan does not require a copayment for an inpatient hospital stay, which is richer than the benchmark for public entity plans. Also, when comparing to the State of Florida's HMO offering, the State's plan has a \$150 per admission co-pay. Nationally, 44% of all county governments recently surveyed by Mercer required an inpatient hospital co-pay as part of their HMO plan design. The average copay is \$250. The State's physician co-pay amount of \$15 is higher than the CHP copay of \$10; Rx plan co-pays of \$7/\$20/\$35 are similar to the current CHP plan. The average physician copay for county governments nationally was \$12, and the average Rx co-pay structure was \$10/\$21/\$37.

CHP has proposed a Blue Cross Blue Shield (BCBS) PPO that is an 80%/60% plan with deductibles and out-of-pocket maximums of \$500/\$1,500 and \$2,000/\$6,000, respectively. Deductibles and out-of-pocket maximums are identical both in and out-of-network. The Rx co-payment structure is a \$7/\$20/\$35 retail co-pay. Mail order would be 2x the retail co-pay for both options. By comparison, the State of Florida's PPO has a 90%/70% coinsurance structure. It has a calendar year deductible of \$150/\$300 and out-of-pocket maximums of \$2,500/\$5,000. Escambia County's PPO is at 80%/60%, with a \$500/\$1,500 deductible and a \$3,000/\$9,000 out-of-pocket maximum.

According to the Mercer 2004 National Survey of Employer-Sponsored Health Plans, the average coinsurance percentages for a county government PPO was 80%/70%. The average deductibles were \$250/\$600 in-network and \$300/\$800 out-of-network. Individual out-of-pocket maximums averaged \$1,500 in-network and \$2,650 out-of-network.

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Executive Summary (continued)

UNITED HEALTHCARE SUMMARY

UHC initially quoted four (4) total replacement options (2 HMO plans and 2 POS plans) and one (1) dual choice option (an HMO plan). Mercer recommended the dual choice option which could be offered alongside CHP. The total annual cost of the CHP and UHC HMO options, based on the assumption that the same number of people would enroll in the CHP plan and the Vista enrollees would move to the UHC plan, would be \$12,965,348.

The United Healthcare plan is an open access plan, meaning the member does not have to choose a PCP and can self-refer to specialists.

This HMO option comes closest in plan design to the current HMOs being offered. Differences include the lack of an OOP maximum vs. the \$1,500/\$3,000 offered in the current plans. ER co-pay is \$75 for UHC, vs. \$100 for CHP and \$50 for Vista.

Rx benefits for UHC is a \$7/\$20/\$35 co-pay structure for retail. Please note this represents higher Rx co-pays for all tiers except generic. The mail order Rx program offered by UHC includes a co-pay of 2.5x retail for mail order Rx, vs. a co-pay of 2x retail for the Vista plan and no mail order Rx via the CHP plan.

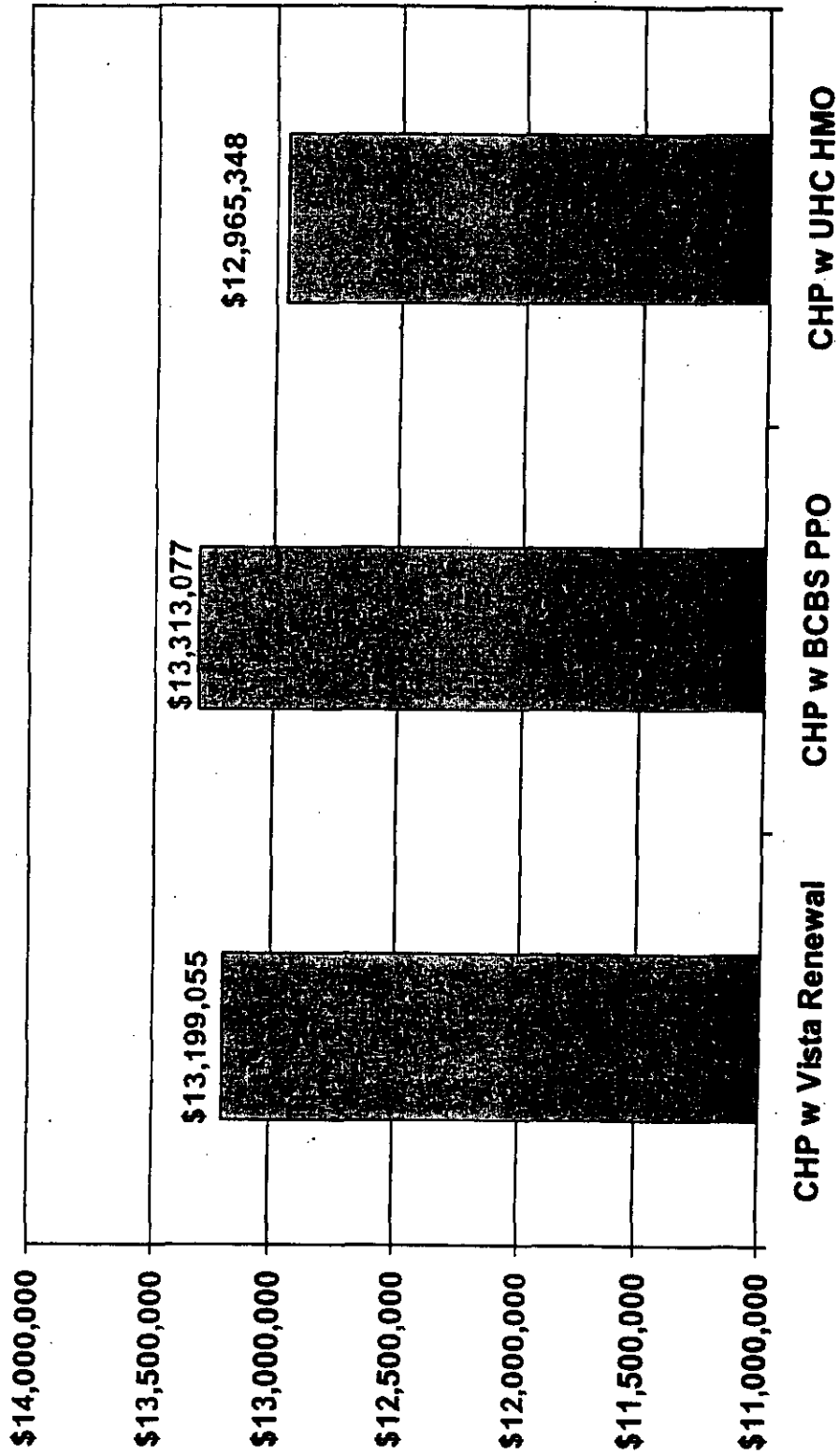
The rates shown in the plan and cost comparisons in the following pages have been revised since the initial July 13, 2005 meeting based on updated information on retiree costs and geographic locations.

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Finalist Plan Design Comparisons

PLAN	Capital Health Plan Renewal HMO	EGBS PRO Capital Health Plan Renewal HMO	Vista Health Plan Renewal HMO	United HealthCare HMO Dual Option
Annual Plan Deductible	None None	\$500 \$1,500	\$500 \$1,500	None None
Annual Max Out-Of-Pocket	\$1,500 \$3,000	\$2,000 \$6,000	\$2,000 \$6,000	None None
Hospital	\$0	No copay	\$300 per admission, deductible applies	\$0
Inpatient Co-pay	Paid at 100%	Deductible then Paid at 80%	Deductible then Paid at 80%	Paid at 100%
Inpatient Concurrence	\$0 co-pay	Deductible then Paid at 80%	Deductible then Paid at 80%	\$0 co-pay
Outpatient Surgery performed at a Hospital	\$100 co-pay	\$0 co-pay, deductible applies	\$0 co-pay, deductible applies	\$100 co-pay
Emergency Care	\$10 co-pay	\$20 co-pay	\$150 adult wellness max per year	\$10 co-pay
Physician Office Visit	\$10 co-pay	\$20 co-pay	Paid at 80%, deductible applies	\$10 co-pay
Specialists	\$10 co-pay	\$20 co-pay	Paid at 80%, deductible applies	\$10 co-pay
Other	\$10 physician co-pay	\$20 co-pay	Deductible then Paid at 80% for physician and hospital charges	\$10 physician co-pay
Maternity Visits	\$0 per confinement	Hospital Deductible then 80%	Deductible then Paid at 80%	\$0 per confinement
Inpatient Mental Health and Substance Abuse	\$0 co-pay 31 days/year max (mental health) SA - detoxification only	Deductible then Paid at 80%	Deductible then Paid at 80%	\$0 co-pay 30 days/year max
Outpatient Mental Health and Substance Abuse	\$20 co-pay 20 visits/year max	Deductible then Paid at 80%	Deductible then Paid at 80%	\$20 co-pay 20 visits/year max
Prescription Drugs Benefit:				
Retail - 30 day supply	\$7 co-pay	\$7 copay	Paid at 80%, deductible applies	\$7 co-pay
Generic	\$20 co-pay	\$20 copay		\$20 co-pay
Preferred Brand	\$35 co-pay	\$35 copay		\$35 co-pay
Non-Preferred Brand	Not Available	2x retail copay	Not Available	2.5 x retail copay
Mail Order - 90 day supply				

Total Annual Cost Comparison of Finalist Options



Total Cost Analysis - Renewal of Current CHP and BCBS PPO Plan Dual Choice

Blended HMO/PPO Active			Total Cost		*Employee Contributions			*Employer's Costs		
Tier	Lives	Rate	Annual Cost	Lives	EE Contribution	EE Annual Cost	Lives	Employer Contribution	Leon County Annual Cost	
Employee	447	\$401.14	\$2,151,715	447	\$30.09	\$161,379	447	\$371.05	\$1,990,336	
Employee + 1	338	\$814.91	\$3,305,275	338	\$61.12	\$247,896	338	\$753.79	\$3,057,379	
Family	606	\$1,080.32	\$7,856,087	606	\$81.02	\$589,207	606	\$999.30	\$7,266,881	
	1391		\$13,313,077	1391		\$998,481	1391		\$12,314,596	
Total	1391		\$13,313,077			\$998,481			\$12,314,596	

*Assumes Leon County maintains current employee/employer contribution ratio structure of 7.5% and 92.5%, respectively.
Assumes current enrollment in CHP remains the same and the balance of active employees enrolls in other option

This proposal is a general description of coverage(s) provided. For a detailed description of policy terms, please refer to the policy itself. If a conflict exists between this proposal and the policy, the policy will be controlling. Proposed rates are estimated and based on census provided. Final rates are based on effective date, plan design, actual enrollment and medical underwriting.

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Total Cost Analysis - Renewal of Current CHP and United HealthCare Dual Choice Plan

CHP Active		Total Cost		*Employee Contributions		Leon Co. Costs	
Tier	Lives	Rate	Annual Cost	Lives	EE Contribution	EE Annual Cost	Leon County Annual Cost
Employee	387	\$392.50	\$1,822,770	387	\$29.44	\$136,708	\$1,686,062
Employee + 1	293	\$812.50	\$2,856,750	293	\$60.94	\$214,256	\$2,642,494
Family	516	\$1,040.20	\$6,440,918	516	\$78.02	\$483,069	\$5,957,850
	1196		\$11,120,438	1196		\$834,033	\$10,286,406
UHC HMO Active		Total Cost		*Employee Contributions		Leon Co. Costs	
Tier	Lives	Rate	Annual Cost	Lives	EE Contribution	EE Annual Cost	Leon County Annual Cost
Employee	60	\$392.55	\$282,636	60	\$29.44	\$21,198	\$261,438
Employee + 1	45	\$812.58	\$438,793	45	\$60.94	\$32,909	\$405,884
Family	90	\$1,040.26	\$1,123,481	90	\$78.02	\$84,261	\$1,039,220
	195		\$1,844,910	195		\$138,368	\$1,706,542
Total	1391		\$12,965,348			\$972,401	\$11,992,947

*Assumes Leon County maintains current employee/employer contribution ratio structure of 7.5% and 92.5%, respectively.
Assumes current enrollment in CHP remains the same and the balance of active employees enrolls in other option

This proposal is a general description of coverage(s) provided. For a detailed description of policy terms, please refer to the policy itself. If a conflict exists between this proposal and the policy, the policy will be controlling. Proposed rates are estimated and based on census provided. Final rates are based on effective date, plan design, actual enrollment and medical underwriting.

Total Cost Analysis - Renewal of Current CHP and Vista Plans

CHP HMO Active		Total Cost		**Employee Contributions			**Leon Co Costs		
Tier	Lives	Rate	Annual Cost	Lives	EE Contribution	EE Annual Cost	Lives	Employer Contribution	Leon County Annual Cost
Employee	387	\$392.50	\$1,822,770	387	\$29.44	\$136,708	387	\$363.06	\$1,686,062
Employee + 1	293	\$812.50	\$2,856,750	293	\$60.94	\$214,256	293	\$751.56	\$2,642,494
Family	516	\$1,040.20	\$6,440,918	516	\$78.02	\$483,069	516	\$962.19	\$5,957,850
	1196		\$11,120,438	1196		\$834,033	1196		\$10,286,406
Vista HMO Active		Total Cost		**Employee Contributions			**Leon Co Costs		
Tier	Lives	Rate	Annual Cost	Lives	EE Contribution	EE Annual Cost	Lives	Employer Contribution	Leon County Annual Cost
Employee	60	\$442.32	\$318,470	60	\$33.17	\$23,885	60	\$409.15	\$294,585
Employee + 1	45	\$915.53	\$494,386	45	\$68.66	\$37,079	45	\$846.87	\$457,307
Family	90	\$1,172.00	\$1,265,760	90	\$87.90	\$94,932	90	\$1,084.10	\$1,170,828
	195		\$2,078,617	195		\$155,896	195		\$1,922,720
Total	1391		\$13,199,055			\$989,929			\$12,209,126

*Renewal increase for CHP is 0%. Renewal increase for Vista is 8.5%. Assumes current enrollment in CHP remains the same and the balance of active employees enrolls in other option

**Assumes Leon County maintains current employee/employer contribution ratio structure of 7.5% and 92.5%, respectively.

This proposal is a general description of coverage(s) provided. For a detailed description of policy terms, please refer to the policy itself. If a conflict exists between this proposal and the policy, the policy will be controlling. Proposed rates are estimated and based on census provided. Final rates are based on effective date, plan design, actual enrollment and medical underwriting.

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Network Provider Access

PROVIDER ACCESS SUMMARY

All of the carriers provide adequate PCP access for Leon County's employees. UHC is using the strictest access standard of the proposing carriers and has the highest provider count at 291, compared to 123 for Capital Health Plan and 109 for Vista. Similarly, all carriers appear to provide adequate hospital and pharmacy access. UHC has the largest number of hospitals under contract in the area at 9, vs. 6 for Vista and 2 for CHP. UHC has more than twice as many pharmacies (131) in their network when compared to CHP and Vista (55 and 57, respectively).

United HealthCare's specialist access is somewhat low compared to the current carriers, based on the criteria they used in their geo-access reporting of 2 providers in a 10-mile radius, vs. 2 providers in a 15 mile radius used by Vista. UHC's obstetrician/gynecologist access is 80.3%; however, this is again driven by a stringent access standard of 2 providers within 10 miles (Vista is using 2 providers within 15 miles). The employees that do not have access based on the stricter criteria do have access when based on average distances to a provider that range from 10.1 miles to 14.8 miles. Similarly, in Havana, Florida all 43 employees would have adequate access assuming the less stringent standard of 2 providers within 15 miles.

CHP did not provide any access data for obstetricians/gynecologists or pediatricians.

United Healthcare does have a strong national network of HMO providers, and retirees living outside the Leon County area may access any UHC HMO provider nationally. Any member may call a toll-free number or look up providers online to find a participating provider, whether they are living outside the area or traveling. However, in non-emergency situations, a member cannot access a non-HMO provider for services.

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Mercer

Medical Geo-Access Summary

PCP ACCESS SUMMARY

Network	Access Standard	Provider Count	Employees with Access
CHP Leon County Network	1 provider w/in 15 miles	123	100%
VISTA N. Florida Network	2 providers w/in 15 miles	109	100%
UHC Choice + Network	2 providers w/in 10 miles	291	94.4%

Medical Geo-Access Summary (continued)

SPECIALIST ACCESS SUMMARY

Network	Access Standard	Provider Count	Employees with Access
CHP Leon County Network	2 providers w/in 15 miles	245	100%
VISTA N. Florida Network	2 providers w/in 15 miles	225	100%
UHC Choice + Network	2 providers w/in 10 miles	459	85.6%

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Medical Geo-Access Summary (Continued)

HOSPITAL ACCESS SUMMARY

Network	Access Standard	Provider Count	Employees with Access
CHP Leon County Network	1 hospital w/in 15 miles	2	100%
VISTA N. Florida Network	1 hospital w/in 15 miles	6	100%
UHC Choice + Network	1 hospital w/in 10 miles	9	96.5%

Medical Geo-Access Summary (Continued)

PHARMACY ACCESS SUMMARY

Network	Access Standard	Provider Count	Employees with Access
CHP Leon County Network	1 pharmacy w/in 15 miles	55	100%
VISTA N. Florida Network	1 pharmacy w/in 15 miles	57	100%
UHC Choice + Network	1 pharmacy w/in 10 miles	131	99.5%

Carrier Financial Ratings

- Blue Cross/Blue Shield of Florida
 - A.M. Best: A (date assigned 3/2002)
 - Moody's: A2 (date assigned 12/2004)
 - Standard & Poor's: A (date assigned 11/2001)
 - Fitch: None

Meets Mercer's minimum financial guidelines

- United Healthcare of Florida
 - A.M. Best: A (date assigned 7/2001)
 - Moody's: None
 - Standard & Poor's: A (date assigned 8/2002)
 - Fitch: A+ (date assigned 9/2001)

Meets Mercer's minimum financial guidelines

Mercer cannot guarantee the financial stability of any carrier.

Mercer

Carrier Financial Ratings (Continued)

■ Vista Health Plan

- A.M. Best: C (date assigned 7/2002)
- Moody's: None
- Standard & Poor's: R (date assigned 7/2000)
- Fitch: None

Does not meet Mercer's minimum financial guidelines

■ Capital Health Plan

- A.M. Best: A - (date assigned 5/2004)
- Moody's: None
- Standard & Poor's: None
- Fitch: None

Meets Mercer's minimum financial guidelines

Mercer

Mercer cannot guarantee the financial stability of any carrier.

Carrier Financial Rating Explanations

A. M. Best

■ Secure Ratings:

- (A++, A+)
- (A, A-)

Superior - very strong ability to meet contractual obligations.

Excellent - strong ability to meet contractual obligations over a long period of time.

■ Vulnerable Ratings:

- (C, C-)

Weak - ability to meet contractual obligations, but their financial strength is very vulnerable to changes in underwriting or economic conditions.

Moody's

■ Strong Companies:

- Aaa: Exceptional Financial Security, fundamentally strong financial position.

- Aa: Excellent Financial Security, high grade company.

- A: Good Financial Security, factors may be present which suggest a susceptibility to impairment sometime in the future.

- Baa: Adequate Financial Security, certain protective elements may be lacking or may be characteristically unreliable over any great length of time.

Mercer

Carrier Financial Rating Explanations (Continued)

■ Modifiers:

- Rating followed by a "w" indicates company is on their watchlist.
- Moody's applies numerical modifiers 1, 2, and 3 in each generic rating category from Aa to Caa.
- The modifier 1 indicates that the insurance company ranks in the higher end of its generic rating category; the modifier 2 indicates a mid-range ranking; and the modifier 3 indicates that the company ranks in the lower end of its generic rating category.

Mercer

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Carrier Financial Rating Explanations (Continued)

Standard & Poor's

- Secure Ratings:
 - AAA: Extremely Strong - extremely strong financial security characteristics that outweigh any vulnerabilities and is highly likely to have the ability to meet financial commitments.
 - AAA: is the highest Insurer Financial Strength Rating assigned by S&P.
 - AA: Very Strong - very strong financial security characteristics, differing only slightly from those rated higher.
 - A: Strong - strong financial security characteristics, but is somewhat more likely to be affected by adverse business conditions than are insurers with higher ratings.
 - BBB: Good - good financial security characteristics, but is more likely to be affected by adverse business conditions than are insurers with higher ratings.

■ Vulnerable Ratings:

- R: Regulatory Action - has experienced a regulatory action regarding solvency. The rating does not apply to insurers subject only to non-financial actions such as market conduct violations.

Carrier Financial Rating Explanations (Continued)

Fitch/Duff & Phelps

■ Secure Ratings:

- AAA
Highest claims paying ability. Risk factors are negligible.
- (AA+, AA, AA-)
Very high claims paying ability. Protection factors are strong.
- (A+, A, A-)
High claims paying ability. Protection factors are average and there is an expectation of variability in risk over time due to economic and/or underwriting conditions.
- (BBB+, BBB, BBB-)
Adequate claims paying ability. Protection factors are adequate. There is considerable variability in risk over time due to economic and/or underwriting conditions.

Mercer

UnitedHealthcare



A UnitedHealth Group Company

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United HealthCare of Florida, Inc.
9009 Corporate Lake Drive, Suite 200 Tampa FL 33634
Tel 813 890 4500
800 595 0440

Amy Cox
Leon County Government
301 S. Monroe Street
Tallahassee, FL 32301

Per your request, our revised rates are:

Employee	\$392.55
Employee + 1	\$812.58
Family	\$1040.26

At our 8/1 meeting, we had discussed some benefit changes to help you achieve more consistency between our plan and the Capital Health Plan.

These rates include the following benefit changes.

Benefit changes (From Page 3 of the Mercer Document - Finalist Plan Design Comparisons)

Emergency Care Increase from \$75 to \$100

Outpatient Mental Health and Substance Abuse Increase copay from \$10 to \$20

Reduce visits/year max from 30 to 20

Prescription Drugs Benefit Change from \$7/\$25/\$40 to \$7/\$20/\$35

Let me know if there are any questions on this.

Have a great weekend!

Thomas Moore
VP of Public Sector
UnitedHealthcare
9009 Corporate Lake Drive
Suite 200
Tampa, FL 33634

Board of County Commissioners Workshop Agenda

Date of Meeting: February 22, 2005
Date Submitted: February 16, 2005
To: Honorable Chairman and Members of the Board
From: Parvez Alam, County Administrator *PA*
Lillian Bennett, Human Resources Director *LWB*
Subject: Board Workshop on County Employee Health Insurance Options

Statement of Issue:

At the request of the Board, this workshop is scheduled to discuss County Employee Health Insurance options; present the results of an Employee Health Insurance Survey (Attachment #1); and request Board approval to issue a Request for Proposals (RFP) for County Employee Health Insurance (Attachment #2). Staff is also seeking Board approval to negotiate an agreement under State Contract #973-500-03-1, with a recognized health benefits consultant, to provide consulting services in the review, analysis and evaluation of the County's current health plan, draft RFP and health plan proposals (Attachment #3).

Background:

At the September 14 and 21, 2004 meetings, the Board approved the annual renewal of health insurance coverage for the 2005 plan year with Capital Health Plan (CHP) and Vista (Attachment #4). United Health Care (United), a national health care insurer, new in the Leon County service area, submitted a request to be considered as a third provider of health insurance coverage for Leon County, in addition to CHP and Vista.

The Board approved staff recommendation to continue with CHP and Vista for the 2005 plan year and to schedule a Board workshop in early 2005 to discuss employee health insurance options prior to the 2006 renewal period. In addition, at the 2005 Board retreat, the Board discussed employee health insurance and requested the Chairman to invite the City of Tallahassee and the Leon County School Board to participate in a group health insurance program with Leon County.

As requested by the Board, the Chairman submitted a request to the City of Tallahassee and the Leon County School Board to determine their interest in participating in a group health insurance program (Attachment #5). On January 2005, a response was received from the Leon County School Board indicating a willingness to discuss the issue (Attachment #6). In addition, as a result of discussions between the Chairman and the Mayor at the January 2005 Mayor/Chair meeting, staff was instructed to develop a staff committee consisting of County, City and School Board representatives to look into the feasibility of establishing an Employee Group Health Insurance Consortium.

Workshop Agenda: Board Workshop on County Employee Health Insurance Options
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Analysis:

Leon County currently contracts with CHP and Vista (formerly Health Plan Southeast) for the provision of medical services for its employees. Both CHP and Vista currently provide Health Maintenance Organization (HMO) benefit plans. A history of CHP and Vista is shown in Attachment #7. United is a new provider in the Leon County service area; however, they are a national leader in the consumer health services market. United provides an array of services and is very interested in becoming a health insurance provider in Leon County. A history of United is shown in Attachment #8.

This workshop will address the following issues related to County Employee Health Insurance:

- Results of Health Insurance Survey
- Analysis of Physician and Hospital Network
- Five-Year History of County Medical Costs
- Request for Proposals and Insurance Options
 - Fully Insured HMO Option
 - Fully Insured POS Option
 - Fully Insured PPO Option
- Feasibility of Group Health Insurance Consortium (County, City and School Board).
- Opt-Out/Spouse Program Proposal

Health Insurance Survey Results

During open enrollment, in November 2004, Leon County Human Resources conducted a County Health Insurance Survey. The purpose of the survey was to gather input from employees on the quality, accessibility and cost of current health insurance services. The participants in the survey included employees from the Board and Constitutional Offices. A total of six hundred sixty-six (666) employees completed the survey from a total enrollment of 1,414 or approximately 47%. Generally, County employees are very satisfied with the quality of service, accessibility and cost of services provided by CHP and Vista. Employees would like to remain with their present physician network and would prefer an increase in cost over a change in medical providers. The complete results of the health insurance survey are shown in Attachment #1.

While County employees are generally satisfied with the current services, it should be noted that employees are currently only responsible for 7.5% of the total cost of their health insurance. Under family coverage, this equates to about \$78 per month/per employee. Leon County pays the remaining 92.5%. Under family coverage, Leon County pays more than \$1,000 per month/per employee. As a result, employees have not been significantly impacted by the double-digit increases Leon County has experienced in the cost of medical services. In the recent health insurance survey, when employees were asked the top two things they liked most about their current insurance services, the response was "low cost" and "everything".

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Physician and Hospital Network Analysis

In order to determine the potential impact of any future decision that may be made by the Board in regards to the selection of a new insurance carrier, staff has performed a preliminary analysis of the current primary care physician and hospital provider network for CHP, VISTA and United. The analysis includes a breakdown of the number of primary care physicians available at each insurance carrier (Table #1) and the number of employees and dependents impacted (Table #2).

As reflected in Table #1 below, CHP has a total of 112 primary care physicians. Of that amount, a total of thirty-three (33) physicians are staff model physicians; (25) employed by CHP at their Centerville Road or Governor's Square locations or are independent private physicians (8) that are exclusive to the CHP network. This represents approximately 30% of the total CHP primary care network. The remaining 70% of physicians in the CHP network are also available in either the Vista or United networks.

Vista has a total of 105 primary care physicians. Of that amount, a total of twenty-five (25) physicians are available only in the Vista network. This represents approximately 24% of the Vista primary care network. The remaining physicians in the Vista Network, approximately 76%, are also available in the CHP or United network.

United Health Care has a total of seventy-seven (77) primary care physicians in its newly established Leon County network. Approximately thirty-nine (39) or 51% of these physicians are currently going through the credentialing process. The remaining 42% of physicians are also available in the CHP or Vista network. United currently has an agreement for services with Tallahassee Memorial Hospital, however, at present, United has not finalized an agreement with Capital Regional Medical Center. United is continuing to develop its network within the Leon County service area.

Table #1
Physician Network Analysis

# Physicians participating in each Network	Capital Health Plan		Vista		United Health Care	
<i>Total Primary Care Physicians</i>	112		105		77	
CHP staff model physicians in CHP network only and Independent Physicians in CHP network only	33	30%	0	0%	0	0%
Independent Physicians in CHP and Vista network	50	45%	50	48%	0	0%
Independent Physicians in CHP, Vista and United networks	26	23%	26	25%	26	34%
Independent Physicians in CHP and United network only	3	2%	0	0%	3	4%
Independent Physicians Vista and United network only	0	0%	4	4%	4	5%
Independent Physicians in Vista network only	0	0%	25	24%	0	0%
Independent Physicians in United network only	0	0%	0	0%	5	6%
Physicians undergoing credentialing in United network	0	0%	0	0%	39	51%
Local Hospital Network (TMH and Capital Regional)	2		2		1 (TMH Only)	

Workshop Agenda: Board Workshop on County Employee Health Insurance Options
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Table #2 below provides an impact analysis of the number of employees/dependents required to select new primary care physicians if the County made a change in health plan providers. Approximately 85% of Leon County's employees, both Board and Constitutional, are enrolled with CHP. If the County made a major change from CHP to a new health plan provider, a total of 1,630 employees and their dependents, or approximately 51% of the total CHP enrollment would be impacted. These employees are currently enrolled with CHP staff model physicians or independent physicians exclusive to the CHP network. As such, these employees would be required to select new primary care physicians. Approximately 49% of remaining employees in the CHP network can remain with physicians that are also available in either the Vista or United networks. A change from CHP as a health plan provider would create a significant employee impact.

If a change were made from Vista to a new health plan provider, a total of 48 employees and their dependents would be impacted. These employees are currently enrolled with physicians exclusive to the Vista network. These employees represent approximately 9% of the total County enrollment in Vista. Approximately 91% of employees in the Vista network should be able to remain with physicians that are also available in either the CHP or United networks. A change from Vista as a health plan provider would not create a significant employee impact.

Table #2
Employee/Dependent Impact Analysis
 (Includes employees, retirees and COBRA participants)

# Employees/Dependents Impacted by Potential Change in Provider	Capital Health Plan				Vista			
	# of Employees Impacted	# of Dependents Impacted	Total Members Impacted	%	# of Employees Impacted	# of Dependents Impacted	Total Members Impacted	%
CHP staff model and independent physicians in CHP network only	782	848	1630	51%	0	0	0	0%
Independent Physicians in CHP and United networks	34	33	67	2%	0	0	0	0%
Independent Physicians in CHP and Vista networks	406	610	1016	31%	113	194	307	56%
Independent Physicians in Vista and United networks	0	0	0	0%	27	19	46	8%
Independent Physicians in CHP, Vista and United networks	203	295	498	16%	81	67	148	27%
Independent Physicians in Vista network only	0	0	0	0%	28	20	48	9%
Total Employee /Dependents Impacted	1425	1786	3211		249	300	549	

If any decision to change insurance providers is made, staff will need to move very quickly in planning for the change in the administration of the County's health insurance plan and conduct employee information sessions to notify employees of the impact of potential changes in physician network.

Workshop Agenda: Board Workshop on County Employee Health Insurance Options
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Five Year History of Medical Costs

Throughout the country, health care costs are continuing to rise at double digit rates. Leon County is no exception. Over the past five (5) years, Leon County's health insurance rates have increased annually an average of 15% for CHP and 17% for Vista, as shown in Table #3 as follows:

Table #3
 Five (5) Year History of Premium Rates for CHP and Vista

Year/Company	Employee	Employee + 1	Family	Rate Increase Percentage
Year 2000				
CHP	\$197.70	\$409.20	\$523.90	
VISTA	\$185.19	\$378.71	\$508.71	
Year 2001				
CHP	\$222.80	\$461.10	\$590.30	13%
VISTA	\$199.94	\$408.87	\$549.23	8%
Year 2002				
CHP	\$256.60	\$531.10	\$679.90	15%
VISTA	\$238.92	\$488.59	\$656.31	19%
Year 2003				
CHP	\$300.10	\$621.20	\$795.30	17%
VISTA	\$291.71	\$603.78	\$772.92	22%
Year 2004				
CHP	\$342.00	\$708.00	\$906.40	14%
VISTA	\$367.96	\$761.61	\$974.96	26%
Year 2005				
CHP	\$392.50	\$812.50	\$1,040.20	15%
VISTA	\$407.64	\$843.74	\$1,080.10	11%

In terms of actual dollars, County medical cost has risen from a total of \$6.2 million in FY 1999 to an estimated \$13.6 million in FY 2005. This represents an increase of more than \$7.4 million over a six year period, or approximately 119%. Table #4 provides a summary of the total dollar cost of health insurance over the past six years:

Table #4
 Leon County Actual Health Insurance Cost (FY 1999 - 2005)
 (Includes Employees, Retirees and Cobra Participants)

Fiscal year	CHP	% Increase	Vista	% Increase	Total	Total % Increase
1999	\$4,632,663		\$1,571,075		\$6,203,738	
2000 *	\$5,269,542	14%	\$1,303,316	(17%)	\$6,572,858	6%
2001 *	\$6,220,952	18%	\$1,245,508	(4%)	\$7,466,461	14%
2002	\$7,158,011	15%	\$1,419,366	14%	\$8,577,378	15%
2003	\$8,302,887	16%	\$1,543,216	9%	\$9,846,103	15%
2004 **	\$10,003,520	20%	\$1,814,078	18%	\$11,817,598	20%
2005 ***	\$11,665,822	17%	\$1,929,720	6%	\$13,595,542	15%
Total Dollar & % Increase since 1999	\$7,033,159	152%	\$358,645	23%	\$7,391,804	119%

* 2000 and 2001 reflected a significant decrease in enrollment for Vista

** 2004 establishment of EMS Division increased enrollment

*** 2005 is an estimate of the health insurance cost based on January 2005 enrollment numbers.

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Locally, government agencies have experienced similar health care cost trends. Increases in premiums have ranged from 10% to 19% since year 2000. Attachment #9 shows a comparison of the State of Florida, City of Tallahassee and Leon County School Board monthly premium amounts from 2000- 2004. Increases in premium rates for retirees for family coverage, when both spouses have Medicare, have ranged from 3% to 20% for CHP. A summary of rates for retirees is also shown in Attachment # 9.

Request for Proposals

Due to limited competition within the local market area, historically, Leon County has entered into informal negotiations with two health care providers, CHP and Vista. This has resulted in minimal competition and double-digit increases during the annual renewal process. With the increased possibility of competition and the arrival of United Health Care into the local service area, staff is requesting Board approval to enter into a competitive bid process (RFP) for the County's health insurance. Section 112.08, Florida Statutes - "Group insurance for public officers, employees, and certain volunteers; physical examinations" states that ".....Before entering any contract for insurance, the local governmental unit shall advertise for competitive bids; and such contract shall be let upon the basis of such bids" (Attachment #10). Accordingly, a draft RFP for Health Insurance Services is included as Attachment #2.

The RFP requests proposals on the following insurance plan options:

- Fully Insured Health Maintenance Organization (HMO)
- Fully Insured Point of Service Plan (POS)
- Fully Insured Preferred Provider Organization (PPO)

Through the RFP, respondents will be asked to respond to one or more of the insurance plan options noted above or a combination of plans, such as an HMO/PPO dual option. Respondents will also be asked to respond as a single provider of health services and as one of two providers of health services for Leon County. Staff will also request multi-year rate guarantees and performance standards and guarantees for each proposal as well as periodic reporting requirements. A summary and comparison of the differences between the fully insured managed care plans (HMO, POS and PPO) is included in Attachment #11.

Staff request Board approval to issue the RFP for Health insurance and to negotiate an agreement with a health benefits consultant under State Contract #973-500-03-01 (Benefits Consulting Services and Actuarial Services) in an amount not to exceed \$40,000. The authorized consultants under State Contract are Mercer Human Resource Consulting, Milliman, Inc. and Palmer and Cay Consulting of FL. The proposed consultant will analyze the County's current health benefits, help develop and assess alternative plan designs, compare and contrast these with plans available in the Leon County community and recommend the best benefits plan for Leon County. The consultant will also review the draft RFP and provide an evaluation of the RFP proposals submitted and present recommendations for a health insurance provider.

Other options the Board may consider in future years is to consider the feasibility a Self-Insurance Health Plan and Health Savings Accounts with a High Deductible Health Plan. A staff summary on Self-Funding and Health Savings Accounts and an article which further explains self funding of employee health benefits is included as Attachment #12.

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In accordance with Florida Statutes 1112.08, several Florida counties have issued RFP's for health insurance coverage. In addition, several counties have elected to self-insure their health plans including Brevard, Manatee, Pinellas, Sarasota, St. Johns, St. Lucie and Volusia Counties (Attachment #13). The State of Florida is currently reviewing the possibility of HSA's in the 2005 Legislative Appropriations Bill (Attachment #14). The bill does propose that the State match the employee HSA contribution up to a maximum of \$1,000.

Feasibility of Group Health Insurance Consortium

As directed by the Board, on February 11, 2005, staff met with staff from the City of Tallahassee and the Leon County School Board to discuss the feasibility of establishing a Group Health Insurance Consortium. The City of Tallahassee currently contracts with CHP as their sole insurance provider and offers employees an HMO/PPO dual option. In addition, the City of Tallahassee maintains an on-going agreement with a consultant to thoroughly review their health insurance plan design, make recommendations for improvement and assist in the annual negotiations of renewal rates. The Leon County School Board currently contracts with CHP and Vista for health insurance. Similar to Leon County, the School Board only offers an HMO option to its employees. Unlike Leon County, the City and the School Board have shifted more of the costs for health insurance to their employees. Currently, the School Board is participating in a feasibility study with the Panhandle Area Educational Consortium (P.A.E.C) to make recommendations on what strategies it can take to improve its health insurance plan. The results of this study are to be completed in April 2005.

Both the City and the School Board staff have been asked by Leon County staff to consider participation in the RFP process with Leon County. Both entities will discuss the matter with their respective Administrators and notify Leon County prior to the workshop on February 22, 2005. Should the City or the School Board express a desire to participate, staff request a delay in the issuance of the RFP to allow each entity an opportunity to review the RFP, provide input and provide data required in the RFP relative to their respective agencies. If the City and School Board decide not to participate in the RFP, staff request Board approval to move forward in the issuance of the draft RFP in accordance with Florida Statutes 112.08. In the short term, if any decision is made to change insurance providers, staff will need to move quickly in planning for the new administration of health insurance plan and notifying employees of potential changes in physician network. In the long term, if the School Board and City express an interest, staff can still continue to meet with City and School Board representatives to determine the feasibility of a Group Health Consortium and what future steps should be taken.

Opt-Out/Spouse Program Proposal

Leon County currently provides an Opt-out Program for employees. Essentially, the Opt-out program allows those employees who provide proof of medical insurance outside of Leon County government (ex. Board, Clerk, Sheriff, Tax Collector, Property Appraiser or Supervisor of Elections) the opportunity to receive a payment of \$300 per month or \$3600 annually in lieu of participating in the County's medical plan. Historically, this has resulted in significant savings to the County, since the County pays for 92.5% of employee medical coverage.

Workshop Agenda: Board Workshop on County Employee Health Insurance Options
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For example, under a CHP family coverage plan, the net savings to the County of an employee electing to opt-out of participation in the County's medical plan, amounts to approximately \$7,946 annually per employee (\$11,546 (County Cost) - \$3,600 (Opt-out) = \$7,946 County net savings). Accordingly, the Opt-out payment has not been provided to spouses who both work for Leon County government, since both employees are active participants in the County's medical plan. The County assumes all the liability, risk, medical claims experience and rate increases associated with these employees since one of the spouses is listed as a dependent under the County's medical plan.

Attached is a February 14, 2005, letter from the Clerk of Courts regarding additional health care benefits to employees when either spouse work for the same or separate Board or Constitutional Office (Attachment #15). The Clerk is requesting Board consideration of two proposals related to spousal employee medical insurance payments and staff presents a third as follows:

- a. Provide an additional opt-out benefit of \$300 per month or \$3600 per year to employees where both spouses work for the Board or any Constitutional Office. Currently, these employees are not eligible for opt-out since both spouses are fully covered under the County's medical insurance plan. The County assumes all the liability, risk, medical claims experience and rate increases associated with each employee. In reviewing the practices of the City, School Board and State of Florida in this area, staff determined that the City provides a total of \$25 a month or \$300 annually for opt-out for one spouse when both are employees through their flexible benefits program. The City provides this benefit without regard to whether or not the spouses has coverage from the City or another public/private employer. The School Board and the State of Florida do not currently provide opt-out to their employees. Staff does not support this proposal and request Board approval to maintain the original intent and cost savings associated with the opt-out program by requiring employees to provide proof of insurance coverage outside of Leon County Board or Constitutional Office.
- b. Provide full payment of medical insurance costs when both spouses work for any Board or Constitutional Office. For Board employees, the County currently pays 100% of the cost for medical insurance for married couples that are both employed under the Board. However, some Constitutional Offices are not currently providing this benefit to their employees. In addition, employees whose spouses both work for separate Leon County government agencies are not provided the full benefit of payment of all medical insurance costs. Staff supports this proposal and recommends that all of the Constitutional Offices provide full payment of medical insurance to employees when both spouses are employed with Leon County. Staff will work with the Clerk's Office to develop procedures for the implementation of this proposal.
- c. Equally distribute between agencies, the total medical insurance costs of employees when both spouses work for any separate Leon County Board or Constitutional Office (ex. Clerk and Board). Staff supports this proposal and the Clerks Office can administer the process for the equitable distribution of cost among Leon County agencies since it currently coordinates medical insurance payments with the Constitutional Offices.

Workshop Agenda: Board Workshop on County Employee Health Insurance Options
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Options:

1. Direct staff to issue Request for Proposal on County Employee Health Insurance to include proposals on the following :
 - a. Fully Insured HMO Plan
 - b. Fully Insured POS Plan
 - c. Fully Insured PPO Plan.
2. Direct staff to negotiate an agreement under State Contract #973-500-03-01, Benefits Consulting and Actuarial Services with one of the three vendors listed under the State Contract to provide health benefits consulting in an amount not to exceed \$40,000 from general fund contingency and authorize the chairman to execute.
3. Contingent upon the pending response from the City and the School Board, approve participation of the City and the School Board in the RFP for Health Insurance Services.
4. Approve one or more of the following Opt-Out/Spouse Program for Board and Constitutional Offices.
 - a. Provide an additional Opt Out Benefit of \$300 per month or \$3,600 annually to employees where both spouses work for any Board or Constitutional Office
 - b. Provide full payment of medical insurance cost when both spouses work for any Board or Constitutional Office
 - c. Equally distribute between agencies the total medical insurance cost of employees when both spouses work for any separate Board or Constitutional Office
5. Board Direction

Recommendation:

Options #1, #2, #3, #4b and #4c.

Attachments:

1. County Employee Health Insurance Survey
2. Draft RFP for County Health Insurance
3. State of Florida Contract for Consulting Services
4. September 21, 2004 Agenda Item on 2005 Renewal
5. Letter to City of Tallahassee and Leon County School Board dated January 5, 2005
6. Letter from Leon County School Board dated January 19, 2005
7. History of CHP and Vista
8. History of United Health Care
9. Comparison of Premium Rates-County, State, City and School Board
10. Copy of Florida Statutes 112.08
11. Summary and Comparison of Fully Insured HMO, POS and PPO Plans
12. Article by Performax on Self-Funding Employee Health Benefits
13. County Comparisons RFP's issued and Self-Insured Health Plans
14. State of Florida Legislative Bill on HSA's
15. Opt-Out/Spouse proposal from Clerk's Office

Board of County Commissioners Agenda Request 10

Attachment # 3
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Date of Meeting: March 22, 2005

Date Submitted: March 16, 2005

To: Honorable Chairman and Members of the Board
From: Parwez Alam, County Administrator
Lillian Bennett, Human Resources Director
Subject: Board Workshop on County Employee Health Insurance Options

Statement of Issue:

This agenda item seeks the ratification of Board actions taken at the February 22, 2005 workshop on County Employee Health Insurance Options.

Background:

On February 22, 2005, the Board held a workshop to discuss County Employee Health Insurance Options. Leon County currently contracts with Capital Health Plan (CHP) and Vista (formerly Health Plan Southeast) for provision of medical services for its employees. Both CHP and Vista currently provide Health Maintenance Organization (HMO) benefit plans. United Health Care (United), a new provider in the Leon County service area, has also expressed an interest in becoming a provider of health insurance services to County employees.

This workshop addressed the following issues related to County Employee Health Insurance:

- Results of Health Insurance Survey
- Analysis of Physician and Hospital Network
- Five-Year History of County Medical Costs
- Request for Proposals and Insurance Options
 - Fully Insured HMO Option
 - Fully Insured POS Option
 - Fully Insured PPO Option
- Feasibility of Group Health Insurance Consortium (County, City and School Board)
- Opt-Out/Spouse Program Proposal

Analysis:

The Board approved options #1, #2, #3, 4b and 4c as follows:

Option #1. Direct staff to issue Request for Proposal (RFP) on County Employee Health Insurance to include proposals on the following:

- a. Fully Insured HMO Plan
- b. Fully Insured POS Plan
- c. Fully Insured PPO Plan.

Option #2. Direct staff to negotiate an agreement under State Contract #973-500-03-01, Benefits Consulting and Actuarial Services, with one of the three vendors listed under the State Contract to provide health benefits consulting amount not to exceed \$40,000 from general fund contingency and authorize the Chairman to execute.

Option #3. Contingent upon the pending response from the City and the School Board, approve participation of the City and the School Board in the RFP for Health Insurance Services.

Option #4. Approve one or more of the following Opt-Out/Spouse Program for Board and Constitutional Offices

- A. Provide full payment of medical insurance cost when both spouses work for any Board or Constitutional Office
- B. Equally distribute between agencies the total medical insurance cost of employees when both spouses work for any separate Board or Constitutional Office.

Additionally, the Board directed staff to provide the following information:

- Listing of comparable counties premium rates, names of HMO's and number available in each market area.
- Analysis of market share by county by vendor
- Comparison of health plan benefit designs between the City, County and the School Board.
- Actuarial analysis of CHP and Vista.
- Consultant analysis of the feasibility of a County self-insurance health program
- Continuation of joint staff committee to study the feasibility of a City/County/ School Board Health Care Consortium
- Inclusion of a provision in the RFP that prohibits claims of adverse selection in the establishment of the employee portion of premium rates.

This information will be provided under a separate cover at a future date.

Staff is also requesting Board approval to waive the Policy requirements, Purchasing and Minority/Women Business Enterprise Policy, Section 5.09, Competitive Sealed Proposals, to expand the number of persons allowed to participate on the RFP Evaluation Committee. Currently, purchasing policy allows only three to five members. In order to provide a representative from each Constitutional Office and the Board an opportunity to participate on the committee, staff recommends Board approval allowing up to seven (7) members to participate on the RFP Evaluation Committee.

Options:

1. Ratify Board actions taken at the February 22, 2005 workshop on County Employee Health Insurance Options
2. Waive the policy requirements, Purchasing and Minority/Women Business Enterprise Policy, Section 5.09, Competitive Sealed Proposals, to expand the number of members allowed to participate on the RFP Evaluation Committee from three to five members to up to seven members to allow a representative from each Constitutional Office and the Board to participate on the committee.
3. Board Direction.

Recommendation:

Options #1 and #2.

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Board of County Commissioners Agenda Request 17

Date of Meeting: May 10, 2005

Date Submitted: May 4, 2005

To: Honorable Chairman and Members of the Board
From: Parvez Alam, County Administrator
Lillian Bennett, Human Resources Director
Subject: Acceptance of Status Report on County Employee Health Insurance

Statement of Issue:

This agenda item requests Board acceptance of a status report and additional information on County employee health insurance options.

Background:

On February 22, 2005, the Board held a workshop to discuss County employee health insurance options. On March 2005, the Board ratified actions taken at the Workshop (Attachment #1) and directed staff to bring back additional information.

Analysis:

The following is a status report, timeline and the additional information requested by the Board on County employee health insurance:

Consultant Agreement

The Board directed staff to negotiate an Agreement under State Contract #973-500-03-01, Benefits Consulting and Actuarial Services, with one of three vendors, listed under the State Contract to provide health benefits consulting, in an amount not to exceed \$40,000 from general fund contingency. After receiving proposals from the three vendors, Leon County selected Mercer Human Resources Consulting, Inc. (Mercer) located in Tallahassee, Florida. The Agreement is finalized, and a scope of services has been developed (Attachment #2). The scope of services includes an evaluation of the Request for Proposals (RFP) responses, and an analysis of the establishment of a self-insured health program for Leon County.

Request for Proposals

Mercer has reviewed the draft RFP, and staff has included the recommended modifications (Attachment #3). As directed by the Board, a provision has been included in the RFP that gives Leon County sole authority to establish the employee portion of premium rates. The RFP is scheduled for release during the first week of May 2005. RFP responses will be due within 30 days of the date of issuance.

The Engagement Letter outlines the deliverables, the time line for the RFP process, and vendor selection (Attachment #4). Based on the proposed timeline, the Consultant and RFP Evaluation committee is scheduled to make a recommendation to the Board for the selection of a health care provider(s) in July 2005.

Health Insurance Consortium

The Board directed staff to continue the joint staff committee to study the feasibility of a City/County/School Board Health Care Consortium. Leon County staff has held several meetings with City and School Board staff to determine the feasibility of a health care consortium. Recently, the committee met with Mellon Consultants to study the major issues to consider before entering into a consortium. These issues included items, such as: defining Group Eligibility, the Rights and Responsibility of the Participants, Plan Design and Options, and Plan

Funding and Administration. Each agency also outlined their health care concerns and resolution, either independently or collectively through a consortium (Attachment #5). The committee will reconvene in the future to address these issues, and determine if there are any potential areas in which the three agencies collaborate as a consortium.

Attachment # 3
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At the February 22, 2005 workshop, the Board directed staff to provide the following additional information related to County's employee health insurance:

- I. Summary of Florida Comparable Counties HMO:
 - o Florida Counties HMO Analysis
 - Enrollment,
 - HMO's Available
 - Provider Name
 - Percentage of Market Share
 - o Market Share Analysis
 - By Local Providers
 - By Region and Statewide
 - Premium Rates and Plan Design
- II. Comparison of Health Plan Benefit Designs (City/ County/School Board)
- III. Actuarial Analysis of CHP and Vista.
- IV. Consultant Analysis of the feasibility of a County Self-Insurance Health Program.

Staff has prepared the following information for Board review:

- I. Summary of Comparable Counties
 - o HMO Enrollment (Large Group HMOs)

As provided by the State of Florida Department of Insurance, Attachment #6 is a chart of HMO Enrollment Market Share by County in Florida for all Large Group HMO's as of September 30, 2004. A large group is defined as an employer with more than 50 employees.

Table #1 below provides a summary comparison of several counties HMO enrollment and market share to that of Leon County:

Table #1

County Comparison of HMO Enrollment, # HMO's Available and Market Share

County	Total Enrollment	# of Large Group HMO's*	Largest HMO Provider	Market Share
Leon	78,351	2	CHP	82%
Alachua	19,332	5	AvMed, Inc.	53%
Escambia	21,335	3	Health Options	74%
Pasco	37,616	6	Health Options	44%
Seminole	47,076	6	United Health Care	35%
Volusia	49,305	6	Florida Health Care Plan	59%
Orange	105,125	6	United Health Care	44%
Pinellas	113,118	6	Aetna U.S. Healthcare	53%
Palm Beach	118,149	9	United Health Care	31%
Hillsborough	123,315	6	Humana	28%
Duval	135,701	6	Aetna U.S. Healthcare	46%

*Includes Large Group HMO's with at least 1% of total market share

As shown in Table #1, Leon County has two large-group HMO's available with a total enrollment of 78,351 members. Capital Group Health Services of Florida (CHP) and Vista Health Plan, Inc. (Vista). CHP represents 82% of the County market share with 64,222 members, and Vista represents 18% of the market share, with 14,036 members. Escambia County's HMO market is similar to that of Leon County. There are three large group HMO's available. Health Options has 74% of the total market share; Vista represents 21%; and United Health Care represents 1

remaining 5%. As with Leon County, there appears to be limited competition in the Escambia County market area. Attachment #4 of 13

In contrast, counties such as Alachua, Pasco, Seminole, Hillsborough, Orange, Duval, Pinellas and Palm Beach have multiple HMO's in their market area (5-9 HMO's) and no single HMO has a market share exceeding 59%. Counties such as Hillsborough and Palm Beach have a total of six and nine HMO's respectively, and the market share for largest HMO providers is 28% and 31% respectively. These counties appear to participate in a very competitive marketplace. Staff has included a summary of like-sized County HMO comparisons based on population (Attachment #7), and enrollment (Attachment #8) similar to that of Leon County.

In terms of enrollment, Leon County's total large group HMO enrollment is relatively high in comparison with other Florida Counties, while the number of available HMO's is quite low. This high enrollment is mainly attributable to State of Florida employees. Of the total enrollment in Leon County of 78,351, 76%, or 59,308, are State employees. Eighty percent (80%) of State employees are enrolled in CHP, and the remaining 20% with Vista. Based on this review, it would appear that until the State of Florida diversifies its HMO base in Leon County, competition will remain limited.

- **HMO Enrollment and Florida Market Share by Local Providers**
 - (CHP, Vista and United Health Care)

Attachment #9 provides the total enrollment and market share for CHP, Vista, and United Health Care for all Florida Counties. Based on this analysis, the total enrollment for each provider is as follows:

Table #2
Comparison of Florida Enrollment for CHP, Vista and United Health Care

	CHP	Vista	United Health Care
Total Enrollment (Florida)	83,630	112,007	300,983
Market Share in Florida	5%	6%	17%
# Florida Counties market penetration	4	23	46

Table #2 reflects that United has a higher enrollment and Florida market share, 28%, than does CHP, 5%, or Vista, 6%. United has market penetration in 46 out of 67 Florida counties and an enrollment of 300,983. Vista has a market penetration in 23 Florida Counties, with an enrollment of 112,007. CHP has the smallest market penetration - 4 Florida Counties, with an enrollment of 83,630. Based on this analysis, it appears that while CHP commands the market share in the local market area, CHP's presence is much smaller, as compared to the total Florida market of the other providers, Vista and United. United has the largest presence in Florida of the three providers.

- **HMO Enrollment and Market Share by Region and Statewide**

The State of Florida divides the state into 4 distinct regions: Leon County is in the West Region. The West Region includes all counties from Escambia north, south and east to Madison and Taylor counties; The North Region includes all counties from Madison and Taylor counties north, east and south to Citrus, Lake and Volusia counties; The Central Region includes all counties from Citrus, Lake and Volusia counties east, west and south to Sarasota, Desoto and Highland counties; and the South Region includes all counties from east, west and south from Sarasota, Desoto and Highland counties to Monroe and Dade Counties. Attachment #10 is a map that depicts the four regions in the State of Florida. Table #3 below provides a summary of the Largest HMO Providers by each of the four regions and their market share:

Table #3
Analysis of Largest HMO Providers by Region and Market Share

Region	Largest HMO Provider	Enrollment	Market Share
West Region	Capital Health Plan	83,630	57%
North Region	Health Options, Inc.	96,152	47%
Central Region	United Health Care of	127,441	29%

	Florida, Inc.			Attachment # <u>3</u>
South Region	United Health Care of Florida, Inc.	148,435	41%	Page <u>42</u> of <u>123</u>

Statewide, Health Options, a Blue Cross Blue Shield affiliate, ranks first in enrollment with 374,628 members and market penetration in all 67 counties. Aetna U.S. Health Care ranks second in enrollment with 360,026 members and a market penetration in 26 counties, mainly in the Central and North Regions. United Health Care ranks third in enrollment with 300,983 members, and market penetration in 46 counties, primarily in Central and South Florida. These three health care providers (Health Options, Aetna U. S. Health Care, and United Health Care) do not have a substantial presence or enrollment in Leon or surrounding counties. United Health Care has recently become a provider in the Leon County local market area.

• **HMO Enrollment and Market Share for West Region (CHP, Vista and United)**

Attachment #11 provides an analysis of the total market share and enrollment comparison of United Health Care, CHP, and Vista, the 3 major health care providers in Leon County, within the West Region of the State of Florida as of September 30, 2004. Leon County is assigned to the West Region which includes 20 Florida counties.

Table #4
West Region Enrollment/ Market Share (CHP, Vista and United)

County	CHP		Vista		United Health Care	
	Enrollment	Market Share	Enrollment	Market Share	Enrollment	Market Share
Leon	64,222	82%	14,036	18%	0	0%
Gadsden	9,974	81%	2,335	19%	0	0%
Jefferson	2,852	77%	854	23%	0	0%
Wakulla	6,582	81%	1,587	19%	0	0%
Calhoun	0	0%	607	80%	0	0%
Escambia	0	0%	4,431	21%	1085	5%
Liberty	0	0%	906	97%	0	0%
Madison	0	0%	1,075	90%	0	0%
Okaloosa	0	0%	0	0%	33	1%
Santa Rosa	0	0%	2,943	22%	324	2%
Taylor	0	0%	90	88%	0	0%
West Region Enrollment/ Market Share	83,630	57%	28,864	20%	1,448	<1%

Table #4 shows the 11 counties in Florida in which CHP, Vista, or United have a market presence. CHP has the largest enrollment in the West Region, with 83,630 members, and a market share of 57%, primarily operating in four counties - Leon, Gadsden, Jefferson and Wakulla. CHP's market share in the four counties is at or above 77% for each. Vista has a West Region enrollment of 28,864, a market presence in 10 counties, and a market share of 20%, significantly less than CHP. United has the smallest enrollment in the west region with 1,448 members, a market presence in three counties, and a regional market share of less than 1%. Other HMO providers, operating in the West Region, are Health Options, Inc., with enrollment of 31,020 and a market share of 21%; Humana Medical Plan, Inc., with enrollment of 2,127 and a market share of 1%; and, Cigna Health Care of Florida, Inc., with enrollment of 22, and a market share of <1%.

Attachment #12 provides a comparison of plan designs, and rates of Counties, similar to Leon County. Leon County leads most counties in providing the most benefits with the smallest co-pays for doctor visits and prescriptions. Co-pays for office visits ranged from \$10 to \$25, for the counties reviewed. Leon County's co-pays for office visits are \$10 for both primary care physicians and specialists. Prescription co-pays for the counties reviewed ranged from \$5 to \$80. Leon County's prescription co-pay cost range from \$7 to \$35. Additionally, Leon County leads the way in employer/employee cost share arrangement, with the County paying 92.5% of premium costs for all tiers of insurance. In like-sized counties, the employer's contribution ranged from a low of 65% to a high of 82%. Alachua and Escambia Counties' HMO plans are similar to Leon County's; however, Leon County's premium costs are approximately 8.5% higher.

1. March 22, 2005 Agenda Ratifying Board Action Taken at Workshop on County Employee Health Insurance
2. Mercer, Human Resources Consulting Agreement and Scope of Services
3. Request for Proposals for County Health Insurance
4. Letter of Engagement, Deliverables, and Timeline for Vendor Selection
5. Summary of Health Care Concerns for City/County and School Board.
6. Florida HMO Enrollment and Market Share Analysis by County
7. Like-Sized County HMO Comparisons by Population
8. Like-Sized County Comparisons by Enrollment
9. Total Florida Enrollment and Market Share for CHP, Vista and United Health Care
10. Map of Four Regions in the State of Florida
11. West Region Analysis of Enrollment and Market Share for CHP, Vista and United Health Care
12. Comparison of Plan Design and Premium Rates for Florida Counties
13. Comparison of Plan Design for the County, City and the School Board
14. Scope of Services for Actuarial Analysis of CHP and Vista

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A survey recently published in 2005 by Business and Legal Reports (BLR), shows that on an average in 21 employers in government entities spent \$6,904 annually for an employee health care cost. In 2004, Leon County's cost per employee was \$7059. Leon County's cost per employee is approximately 2% more than the national average.

II. Comparison of Health Plan Benefit Designs between the City, County, and the School Board. The common health insurance carrier between the City, County and the School Board is Capital Health Plan. The County and School Board both provide employees Capital Health Plan and Vista; the City provides Capital Health Plan and the BCBS PPO Plan. The co-payment amounts for CHP & Vista with the County are lower than the co-payment amounts with the School Board or the City. The major differences between the plans occur in the co-payment amounts for office visits and prescriptions. The County office visit co-pay amount for both primary care physicians (PCP) and specialist is only \$10. The City and School Board co-payment amounts are \$15 for the PCP and \$25 for the specialist. Prescription drug cost is lower at the County with co-pays set at \$7/\$14/\$30 depending on the type of prescription. The School Board has co-pays set at \$10/\$25/\$40 and the City has the highest prescription co-pays at \$15/\$30/\$50. Employees contribute more with the City and School Board than County's employees (Attachment #13).

III. Actuarial Analysis of CHP and Vista. The Board requested that an actuarial analysis be performed to determine the accuracy of the County's claims data and rate increases imposed by CHP and Vista. The funding for actuarial analysis has been included as a budget request in the 2005/06 budget. Mercer, the County's health care consultant, has provided a preliminary estimate from \$18,000 to \$30,000 to perform the actuarial analysis. The Health Plan Actuarial Analysis will include a Predictive Risk Assessment (evaluation of the health risks prevalent in the employee population); a Predictive Health and Productivity Analysis (identify on a predictive basis, the diseases and medical conditions that drive the County's medical costs); a Retrospective Analysis of Care Renewals (review, analysis and calculations to evaluate the accuracy and appropriateness of the renewals presented by CHP and Vista on a retrospective basis); and a preliminary scope of services and estimated costs included as Attachment #14.

IV. Consultant Analysis of the feasibility of a County Self-Insurance Health Program. The Board directed staff to include in the scope of services for the health care consultant a review of the feasibility of the County establishing a self-insured health care program. Mercer will provide a consultant analysis of the feasibility of a county self-insured health program and staff will present the consultant report to the Board at the time a health care provider is recommended in July 2005.

In summary, the Health Care Consultant agreement and scope of services with Mercer Human Resource Consulting has been finalized. Mercer has reviewed the draft RFP and the final RFP will be released during the first week of May 2005. Proposal responses will be due within 30 days of the release date. Mercer will perform a thorough analysis of the responses and make a presentation and recommendation to the RFP Evaluation Committee. Staff is currently scheduled to present an agenda item to the Board in July 2005 with the recommended health care provider(s) for Leon County. At that time, staff will also present the Mercer report to the Board on the feasibility of a self-insured health program for Leon County. As directed by the Board, staff has submitted a funding request through the 2005/06 budget process for a Health Care Actuarial Analysis of CHP and Vista.

Options:

1. Accept Status Report on County Employee Health Insurance.
2. Do not accept Status Report on County Employee Health Insurance.
3. Board Direction.

Recommendation:

Option #1.

Attachments:

Attachment #5

Mercer 2005 Medical Marketing and Renewal
Analysis available for review in 5th floor County
Administration Reception area and in Human
Resources

Executive Summary

Mercer is pleased to present Leon County with a benchmarking analysis of its Health and Welfare plans. The benchmarking is based on the *Mercer Annual Survey of Employer Sponsored Health Plans*, the largest and most comprehensive annual survey available. The survey was established in 1986, and began incorporating a national probability sample in 1993. 3,020 employers participated in 2004. All employers with 10 or more employees are surveyed, however the size groups examined in this presentation include only large employers with 500+ employees. Below is a summary of key findings.

Demographics, Coverage Eligibility, and Elections

The average age of Leon County employees is 44, slightly higher than the government and county averages of 43. For the nation as a whole, the average employee age is 40. Leon County has a higher percentage of employees with dependents (65%) than all applicable benchmarks. Government, County Government and National averages are 55%, 54%, and 56% respectively. The percentage of Leon County employees who waived coverage is 7%, which is close to the Government and County Government norms (7% and 8% respectively), but below the national average of 16%.

Health Prevalence and Costs

Using estimates provided by Leon County that were based on January 2005 enrollment, the expected total health benefit cost increase for 2005 is 15%. This is slightly higher than all applicable benchmarks. Government entities responding to the Mercer survey reported an 11% expected increase, County Government entities expected a 10% increase and the nation as a whole expected 11%. Please note that for the Mercer survey, total health benefit cost is the total gross cost for all medical, dental, prescription drug, Mental Health/Substance Abuse (MH/SA), vision and hearing benefits for all active employees and their covered dependents. Total gross annual cost includes employee contributions but not employee out-of-pocket expenses. The data provided by Leon County was for medical costs only.

Employee Contributions

Monthly employee contributions for Leon County in 2004 were \$25.66, significantly below the Government, County Government and National benchmarks of \$41, \$42 and \$61, respectively. However, this contribution amount is consistent with Alachua County's employee contribution amount of \$29.46. As a percentage of premiums Leon County, at 7%, is also below all comparison points. Government entities offering HMOs were at 13%, County Government entities were at 12% and the National norm was 22%.

An analysis of family employee contributions also shows that Leon County employee contribution levels are significantly below all comparison points. Leon County employees contribute \$67.98 monthly for family coverage, while Government entities surveyed were at \$260; County Governments were at \$243; and the National norm was \$246. Alachua County is at \$204.01. Leon County's contributions as a percentage of premiums for family coverage were identical to the employee only figure of 7%. Government entities were at 34%, County Government entities were at 35% and the National norm was 33%.

HMOs

Leon County has a \$10 physician co-pay in both of its HMOs, which is lower than the current \$15 copay for the State of Florida's plan. Government and County Government entities were at \$12 and the National average was \$15. Leon County had two different emergency room co-pays for their HMO plans (Vista has a \$50 co-pay, while the Capital Health Plan HMO is at \$100). The State of Florida has a \$25 co-pay. The average for all other applicable benchmarks was \$50. In addition, while Leon County does not have a inpatient hospital co-pay for either plan, Mercer survey results indicate that 39% of Government entities, 44% of County Government entities and 46% of all entities surveyed Nationally do. Government entities had an average co-pay amount of \$200. The National and County Government average co-pay amount was \$250. The State of Florida has a \$150 per admission co-pay.

Rx

For 3-tier retail prescription drug plans, the benchmark data for Leon County versus the applicable benchmarks were as follows:

Table 1: Average Co-pays for 3-Tier Retail Rx Plans

Rx Tier	LEON COUNTY	GOVERNMENT +500	COUNTY +500	NATIONAL +500	ALACHUA COUNTY	STATE OF FLORIDA
Generic	\$7	\$10	\$10	\$10	\$7	\$7
Brand - Formulary	\$17	\$24	\$21	\$23	\$20	\$20
Brand - Non Formulary	\$33	\$43	\$37	\$40	\$35	\$35

For 3-tier retail prescription drug plans, the benchmark data for Leon County versus the applicable benchmarks were as follows:

Table 2: Average Co-pays for 3-Tier Mail Order Rx Plans

Rx Tier	LEON COUNTY	GOVERNMENT +500	COUNTY +500	ALACHUA COUNTY	NATIONAL +500
Generic	\$14	\$12	\$13	\$14	\$15
Brand - Formulary	\$28	\$28	\$29	\$40	\$33
Brand - Non Formulary	\$60	\$49	\$53	\$70	\$57

Please note that the Leon County data shown is for the Vista HMO, there is no mail order Rx plan available via the Capital Health Plan HMO.

Dental

Leon County's dental plan deductible amount of \$50 is consistent with all benchmarks. The annual maximum of \$1,000 is consistent with the National average, but slightly lower than the Government and County Government averages of \$1,200.

In addition, Mercer has provided benchmark data pertaining to Specialty Benefits, Strategic Planning, Preferred Provider Organizations and POS Plans. Although much of this data does not lend itself to direct comparisons/analysis, it may be useful in the future as Leon County contemplates changes to its existing benefit offerings.

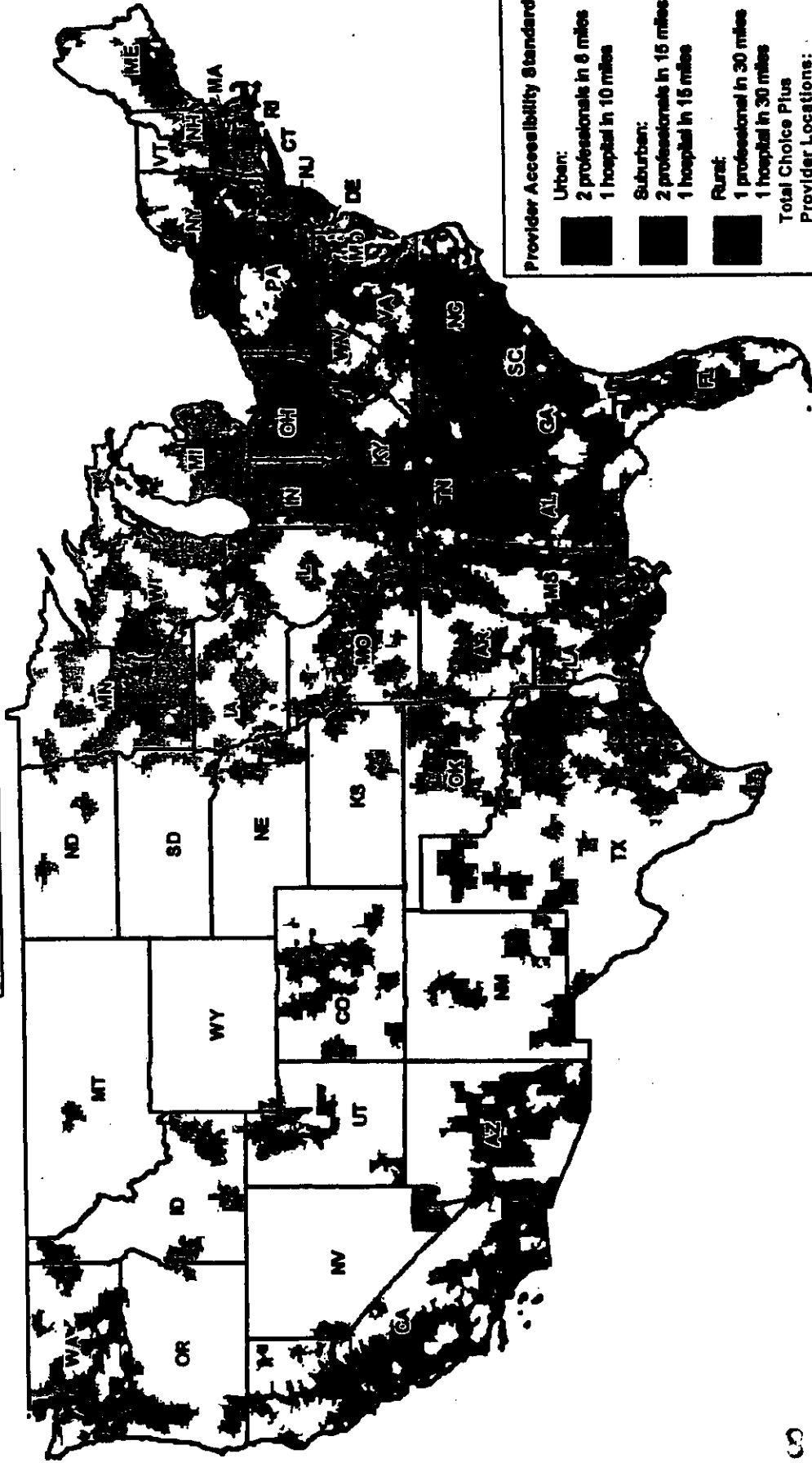
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UnitedHealthcare

UnitedHealthcare National Choice Plus Coverage

A UnitedHealth Group Company

UnitedHealthcare's network areas continue to expand and evolve to meet customer and enrollee needs. Please consult these maps regularly for the most up-to-date information.



Provider Accessibility Standards:		
Urban:	2 professionals in 6 miles	1 hospital in 10 miles
Suburban:	2 professionals in 15 miles	1 hospital in 15 miles
Rural:	1 professional in 30 miles	1 hospital in 30 miles
Total Choice Plus Provider Locations:		
Professionals: 770,677		
Hospitals: 3,640		

	Facility/Institutions/Providers	Location (City/State)	Type of Organ/Bone Marrow Transplant
	Children's Hospital of Alabama	Birmingham, Ala.	Blood/Marrow
	University of Alabama Hospital	Birmingham, Ala.	Blood/Marrow Heart Kidney Kidney/Pancreas Liver Lung
	Banner Good Samaritan Medical Center	Phoenix, Ariz.	Kidney
	City of Hope-Good Samaritan	Phoenix, Ariz.	Blood/Marrow
	Mayo Clinic	Scottsdale	Kidney Liver
	University of Arizona Health Sciences Center	Tucson, Ariz.	Blood/Marrow Heart
	California Pacific Medical Center	San Francisco, Cal.	Kidney Liver
	Cedars-Sinai Medical Center	Los Angeles, Cal.	Heart Liver
	Children's Hospital Los Angeles	Los Angeles, Cal.	Blood/Marrow Heart Heart/Lung Lung
	City of Hope National Medical Center	Duarte, Cal.	Blood/Marrow
	Stanford Hospital and Clinics and Lucile Packard Children's Hospital at Stanford	Stanford, Cal.	Blood/Marrow Heart Heart/Lung Kidney Liver Lung
	UCLA Medical Center	Los Angeles, Cal.	Blood/Marrow Heart Kidney Kidney/Pancreas Liver Lung
	University of California San Diego Medical Center	San Diego, Cal.	Blood/Marrow (auto only), Heart/Lung Kidney Lung
	University of California San Francisco (UCSF) Medical Center	San Francisco, Cal.	Blood/Marrow Kidney Kidney/Pancreas Liver Lung
	Presbyterian/St. Luke's Medical Center	Denver, Colo.	Blood/Marrow
	The Children's Hospital	Denver, Colo.	Blood/Marrow

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UnitedHealthcare

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	Facility/Institutions/Providers	Location (City/State)	Type of Organ/Bone Marrow Transplant
			Heart
	University of Colorado Hospital	Denver, Colo.	Heart Kidney Liver Lung
	Georgetown University Hospital	Washington, D.C.	Intestinal Intestinal/Liver Liver
	Washington Hospital Center	Washington, D.C.	Kidney
	All Children's Hospital	St. Petersburg, Fla.	Blood/Marrow
	Florida Hospital	Orlando, Fla.	Kidney
	H. Lee Moffit Cancer Center and Research Institute Hospital	Tampa, Fla.	Blood/Marrow
	Mayo Clinic	Jacksonville, Fla.	Kidney Kidney/Pancreas Liver Pancreas
	Shands Transplant Center at University of Florida	Gainesville, Fla.	Blood/Marrow Heart Liver Lung
	Tampa General HealthCare	Tampa, Fla.	Heart Kidney Liver
	University of Miami/Jackson Memorial Medical Center	Miami, Fla.	Heart Intestinal Intestinal/Liver Kidney Liver
	Children's Healthcare of Atlanta	Atlanta, Ga.	Blood/Marrow Heart Kidney Liver
	Northside Hospital and Blood and Marrow Transplant Group of Georgia	Atlanta, Ga.	Blood/Marrow
	Piedmont Hospital	Atlanta, Ga.	Kidney
	Children's Memorial Hospital	Chicago, Ill.	Blood/Marrow Heart Kidney Liver
	Loyola University Medical Center	Chicago, Ill.	Blood/Marrow Heart Lung
	Northwestern Memorial Hospital	Chicago, Ill.	Blood/Marrow Kidney

	Facility/Institutions/Providers	Location (City/State)	Type of Organ/Bone Marrow Transplant
			Kidney/Liver Kidney/Pancreas Liver Pancreas
	University of Chicago Hospitals	Chicago, Ill.	Blood/Marrow Kidney
	University of Illinois at Chicago Medical Center	Chicago, Ill.	Kidney Kidney
	Indiana Blood and Marrow Transplantation	Indianapolis, Ind.	Blood/Marrow
	Indiana University Medical Center	Indianapolis, Ind.	Blood/Marrow Kidney Liver
	Methodist Hospital of Indiana	Indianapolis, Ind.	Heart Kidney Lung
	Riley Hospital for Children	Indianapolis, Ind.	Blood/Marrow Kidney Liver
	Jewish Hospital	Louisville, Ky.	Heart Kidney
	University of Kentucky Hospital	Lexington, Ky.	Liver
	Ochsner Clinic Foundation	New Orleans, La.	Heart Kidney Liver
	Tulane University Hospital and Clinic	New Orleans, La.	Kidney
	University of Maryland Medical Center	Baltimore, Md.	Kidney Kidney/Pancreas Pancreas
	Brigham and Women's Hospital	Boston, Mass.	Heart Kidney
	Children's Hospital of Boston	Boston, Mass.	Blood/Marrow Heart Kidney
	Dana-Farmer/Brigham and Women's Hospital	Boston, Mass.	Blood/Marrow
	Lahey Clinic	Burlington	Liver
	Massachusetts General Hospital	Boston, Mass.	Blood Marrow Heart Kidney
	New England Medical Center	Boston, Mass.	Blood/Marrow Liver
	Karmanos Cancer Institute	Detroit, Mich.	Blood/Marrow
	Fairview-University Medical Center	Minneapolis, Minn.	Blood/Marrow

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	Facility/Institutions/Providers	Location (City/State)	Type of Organ/Bone Marrow Transplant
			Heart Heart/Lung Kidney Kidney/Pancreas Liver Lung Pancreas
	Mayo Clinic	Rochester, Minn.	Heart Kidney Kidney/Pancreas Liver Pancreas
	Barnes-Jewish Hospital/The Washington University	St. Louis, Mo.	Blood/Marrow Heart Kidney Liver Lung
	Cardinal Glennon Children's Hospital	St. Louis, Mo.	Blood/Marrow
	Children's Mercy Hospital	Kansas City, Mo.	Blood/Marrow
	St. Louis Children's Hospital	St. Louis, Mo.	Blood/Marrow Heart Liver Lung
	The Cancer Institute	Kansas City, Mo.	Blood/Marrow
	Nebraska Medical Center	Omaha, Neb.	Blood/Marrow Intestinal Intestinal/Liver Kidney Kidney/Pancreas Liver Pancreas
	Hackensack University Medical Center	Hackensack, N.J.	Blood/Marrow
	Newark Beth Israel Hospital	Newark, N. J.	Heart
	St. Barnabas Health Care System	Livingston, N.J.	Kidney
	Memorial Sloan-Kettering Cancer Center	New York, N.Y.	Blood/Marrow
	Mount Sinai Hospital	New York, N.Y.	Kidney Kidney/Liver Liver
	New York Presbyterian	New York, N.Y.	Blood/Marrow Heart Heart/Lung Kidney Liver Lung
	NYU Medical Center	New York, N.Y.	Liver

	Facility/Institutions/Providers	Location (City/State)	Type of Organ/Bone Marrow Transplant
	Roswell Park Cancer Institute	Buffalo, N.Y.	Blood/Marrow
	Strong Memorial Hospital of the University of Rochester	Rochester, N.Y.	Blood/Marrow Kidney Liver
	Duke University Health System	Durham, N.C.	Blood/Marrow Heart Kidney Kidney/Pancreas Liver Lung
	Arthur G. James Cancer Hospital and Richard J. Solove Research Institute	Columbus Ohio	Blood/Marrow
	Children's Hospital	Columbus Ohio	Blood/Marrow
	Children's Hospital Medical Center	Cincinnati, Ohio	Blood/Marrow Kidney Liver
	Christ Hospital	Cincinnati, Ohio	Kidney
	Jewish Hospital	Cincinnati, Ohio	Blood/Marrow
	Cleveland Clinic Foundation	Cleveland, Ohio	Blood/Marrow Heart Kidney Liver Lung
	Ohio State University Hospitals	Columbus, Ohio	Kidney Kidney/Pancreas Pancreas
	University Hospital of Cleveland	Cleveland, Ohio	Blood/Marrow Kidney
	University of Cincinnati	Cincinnati, Ohio	Liver
	Oregon Health Sciences University Hospital	Portland, Ore.	Blood/Marrow Heart Kidney
	Albert Einstein Medical Center	Philadelphia, Pa.	Liver
	Children's Hospital of Philadelphia	Philadelphia, Pa.	Blood/Marrow Heart Kidney Liver
	Children's Hospital of Pittsburgh	Pittsburgh, Pa.	Blood/Marrow Heart Heart/Lung Intestinal Intestinal/Liver Kidney Liver Lung

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UnitedHealthcare

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	Facility/Institutions/Providers	Location (City/State)	Type of Organ/Bone Marrow Transplant
	Hospital of the University of Pennsylvania	Philadelphia, Pa	Blood/Marrow Heart Heart/Lung Kidney Liver Lung
	St. Jude Children's Research Hospital	Memphis, Tenn.	Blood/Marrow
	University of Tennessee/Methodist Transplant Institute	Memphis, Tenn.	Kidney
	Vanderbilt University Medical Center	Nashville, Tenn.	Blood/Marrow Heart Kidney Liver
	Baylor University Medical Center	Dallas, Tex.	Blood/Marrow Kidney Liver
	Cook Children's Medical Center	Fort Worth, Tex.	Blood/Marrow
	Medical City Dallas Hospital	Dallas, Tex.	Heart
	Memorial Hermann Hospital	Houston, Tex.	Kidney Liver
	Methodist Hospital and Baylor College of Medicine	Houston, Tex.	Blood Marrow Heart Kidney Liver
	Texas Children's Hospital	Houston, Tex.	Blood/Marrow Liver
	Texas Transplant Institute	San Antonio, Tex.	Blood/Marrow Kidney
	University Health System	San Antonio, Tex.	Liver
	University of Texas M.D. Anderson Cancer Center	Houston, Tex.	Blood/Marrow
	LDS Hospital	Salt Lake City, Utah	Heart Kidney Liver
	University of Utah Hospital and Clinics	Salt Lake City, Utah	Kidney
	Medical College of Virginia Hospitals	Richmond, Va.	Blood/Marrow Kidney Liver
	Seattle Cancer Care Alliance	Seattle, Wash.	Blood/Marrow
	Children's Hospital of Wisconsin	Milwaukee, Wis.	Blood/Marrow Heart
	Froedtert Memorial Lutheran Hospital	Milwaukee, Wis.	Blood/Marrow Kidney Liver

UnitedHealthcare

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	Facility/Institutions/Providers	Location (City/State)	Type of Organ/Bone Marrow Transplant
	UW Health - University of Wisconsin Hospital and Clinics	Madison, Wis.	Blood/Marrow Heart Kidney Kidney/Pancreas Liver Lung Pancreas

Note: Blood/marrow programs include autologous (auto) and allogeneic (allo) transplants unless otherwise noted.

Table #1
Estimated Comparison
Physician Network Analysis January 2005

# Physicians participating in each Network	Capital Health Plan		Vista		United Health Care	
<i>Total Primary Care Physicians</i>	<i>112</i>		<i>105</i>		<i>77</i>	
CHP staff model physicians in CHP network only and Independent Physicians in CHP network only	33	30%	0	0%	0	0%
Independent Physicians in CHP and Vista network	50	45%	50	48%	0	0%
Independent Physicians in CHP, Vista and United networks	26	23%	26	25%	26	34%
Independent Physicians in CHP and United network only	3	2%	0	0%	3	4%
Independent Physicians Vista and United network only	0	0%	4	4%	4	5%
Independent Physicians in Vista network only	0	0%	25	24%	0	0%
Independent Physicians in United network only	0	0%	0	0%	5	6%
Physicians undergoing credentialing in United network	0	0%	0	0%	39	51%
Local Hospital Network (TMH and Capital Regional)	2		2		1 (TMH Only)	

Table #1A
Estimated Comparison
Physician Network Analysis July 2005

# Physicians participating in each Network	Capital Health Plan		Vista		United Health Care	
<i>Total Primary Care Physicians</i>	<i>106</i>		<i>115</i>		<i>90</i>	
CHP staff model physicians in CHP network only and Independent Physicians in CHP network only	30	28%	0	0%	0	0%
Independent Physicians in CHP and Vista network	12	11%	13	11%	0	0%
Independent Physicians in CHP, Vista and United networks	58	55%	58	50%	58	64%
Independent Physicians in CHP and United network only	6	6%	0	0%	6	7%
Independent Physicians Vista and United network only	0	0%	13	11%	13	14%
Independent Physicians in Vista network only	0	0%	31	27%	0	0%
Independent Physicians in United network only	0	0%	0	0%	13	14%
Physicians undergoing credentialing in United network	0	0%	0	0%	NA	NA
Local Hospital Network (TMH and Capital Regional)	2		2		2	

Table #2
Estimated
Employee/Dependent Impact Analysis
(Includes employees, retirees and COBRA participants) January 2005

# Employees/Dependents Impacted by Potential Change in Provider	Capital Health Plan				Vista			
	# of Employees Impacted	# of Dependents Impacted	Total Members Impacted	%	# of Employees Impacted	# of Dependents Impacted	Total Members Impacted	%
CHP staff model and independent physicians in CHP network only	782	848	1630	51%	0	0	0	0%
Independent Physicians in CHP and United networks	34	33	67	2%	0	0	0	0%
Independent Physicians in CHP and Vista networks	406	610	1016	31%	113	194	307	56%
Independent Physicians in Vista and United networks	0	0	0	0%	27	19	46	8%
Independent Physicians in CHP, Vista and United networks	203	295	498	16%	81	67	148	27%
Independent Physicians in Vista network only	0	0	0	0%	28	20	48	9%
Total Employee /Dependents Impacted	1425	1786	3211		249	300	549	

Table #2A
Estimated
Employee/Dependent Impact Analysis
(Includes employees, retirees and COBRA participants) July 2005

# Employees/Dependents Impacted by Potential Change in Provider	Capital Health Plan				Vista			
	# of Employees Impacted	# of Dependents Impacted	Total Members Impacted	%	# of Employees Impacted	# of Dependents Impacted	Total Members Impacted	%
CHP staff model and independent physicians in CHP network only	752	835	1587	49%	0	0	0	0%
Independent Physicians in CHP and United networks	58	53	111	3%	0	0	0	0%
Independent Physicians in CHP and Vista networks	74	196	270	8%	19	55	74	13%
Independent Physicians in Vista and United networks	0	0	0	0%	37	41	78	14%
Independent Physicians in CHP, Vista and United networks	483	658	1141	36%	154	182	336	61%
Independent Physicians in Vista network only	0	0	0	0%	26	12	38	7%
Physicians Not in Current PCP Directory	58	44	102	3	13	10	23	4
Total Employee /Dependents Impacted	1425	1786	3211		249	300	549	

Tallahassee Area Network

Specialty	Group Name	Physician	Phone	Address	City
Dermatology	Skin & Cancer Associates	Taylor, Richard M.D.	402-9444	1840 Capital Medical Court	Tallahassee
Dermatology	Skin & Cancer Associates	Tie, Cynthia M.D.	402-9444	1840 Capital Medical Court	Tallahassee
Dermatology	Southeast Dermatology	Ford, Michael M.D.	422-3376	1911 Miccosukee Rd.	Tallahassee
Endocrinology - Adult	Tallahassee Endocrine Associates, P.A.	Sherraden, Terry, M.D.	877-7387	2406 E. Plaza Dr	Tallahassee
Endocrinology - Pediatric	Children's Clinic	Deeb, Larry MD	878-0184	2416 E. Plaza Dr	Tallahassee
Endocrinology - Pediatric	Wright, MD Nancy M	Wright, Nancy M MD	656-3361	1804 Miccosukee Commons Drive	Tallahassee
Gastroenterology	Digestive Disease Clinic	Mangan, Michael, M.D.	877-2105	2400 Miccosukee Road	Tallahassee
Gastroenterology	Digestive Disease Clinic	Paulk, H. Timothy, Jr., M.D.	877-2105	2400 Miccosukee Road	Tallahassee
Gastroenterology	Digestive Disease Clinic	Reisman, Terence N., M.D.	877-2105	2400 Miccosukee Road	Tallahassee
Gastroenterology	Digestive Disease Clinic	Rodriguez, Andres F., M.D.	877-2105	2400 Miccosukee Road	Tallahassee
Gastroenterology	Digestive Disease Clinic	Singh, Hardeep, M.D.	877-2105	2400 Miccosukee Road	Tallahassee
Gastroenterology	Digestive Disease Clinic	Stockwell, James W., M.D.	877-2105	2400 Miccosukee Road	Tallahassee
Gastroenterology	Digestive Disease Clinic	Taylor, Larry D., M.D.	877-2105	2400 Miccosukee Road	Tallahassee
Gastroenterology	Medical Group of North Florida	Leichus, Leonard S MD	878-8235	2626 Care Dr., #200	Tallahassee
Gastroenterology	Joseph Webster, M.D.	Webster, Joseph, MD	878-0471	2048 Centre Pointe Lane	Tallahassee
Gynecology	Dussia, Evan, M.D.	Dussia, Evan, M.D.	877-6881	1911 Miccosukee Rd	Tallahassee
Gynecology	Messer, H. Hutson, M.D.	Messer, H. Hutson, M.D.	877-4113	2110 Centerville Road, Suite B	Tallahassee
Gyn & Obstetrics	Azalea Women's Healthcare, P.A.	George, Adrienne, M.D.	877-5767	1219 Hodges Drive	Tallahassee
Gyn & Obstetrics	Azalea Women's Healthcare, P.A.	Wah, Tara, M.D.	877-5767	1219 Hodges Drive	Tallahassee
Gyn & Obstetrics	Oliver, Hugh Whit, M.D.	Oliver, Hugh Whit, M.D.	942-2233	2727 Capital Medical Blvd.	Tallahassee
Gyn & Obstetrics	Burns, Jolita C., M.D.	Burns, Jolita C., M.D.	878-2171	1620 Riggins Rd	Tallahassee
Gyn & Obstetrics	Douso, Michael, M.D.	Douso, Michael, M.D.	877-5589	1842-A Jaciff Court	Tallahassee
Gyn & Obstetrics	Gynecology & Obstetrics Associates	Bures-Forthofer, Jana, M.D.	877-3549	1405 Centerville Rd #4200	Tallahassee
Gyn & Obstetrics	Gynecology & Obstetrics Associates	Flippin-Trainer, Angela, M.D.	877-3549	1405 Centerville Rd #4200	Tallahassee
Gyn & Obstetrics	Morales & Hall	Hall, Leaton H., Jr., M.D.,	878-5151	2001 Miccosukee Road	Tallahassee
Gyn & Obstetrics	Morales & Hall	Morales, Bert, M.D.	878-5151	2001 Miccosukee Road	Tallahassee
Gyn & Obstetrics	North Florida Womens Care	Ashmore, Robert, MD	877-7241	1401 Centerville Rd #202	Tallahassee
Gyn & Obstetrics	North Florida Womens Care	Brickler, Alexander J., III, M.D.	877-7241	1401 Centerville Rd #202	Tallahassee
Gyn & Obstetrics	North Florida Womens Care	Friall, Andrea K., M.D.	877-7241	1401 Centerville Rd #202	Tallahassee
Gyn & Obstetrics	North Florida Womens Care	Clements, Arthur, M.D.	877-7241	1401 Centerville Rd #202	Tallahassee
Gyn & Obstetrics	North Florida Womens Care	Dixon, David D., M.D.	877-7241	1401 Centerville Rd #202	Tallahassee
Gyn & Obstetrics	North Florida Womens Care	David R O'Bryan, MD,	877-7241	1401 Centerville Rd #202	Tallahassee
Gyn & Obstetrics	North Florida Womens Care	Kenneth J McAlpine, MD	877-7241	1401 Centerville Rd #202	Tallahassee
Gyn & Obstetrics	Spurgeon W McWilliams, MD	Spurgeon W McWilliams, MD	878-2171	1620 Riggins Rd	Tallahassee
Gyn & Obstetrics	Tallahassee Memorial Family Practice	Brickler, A. D., Jr., M.D.	431-4500	1304 Hodges Drive	Tallahassee
Gyn & Obstetrics	Residency Program	Drake, Susan, M.D.	431-5430	1301 Hodges Drive	Tallahassee
Hematology-Oncology	Hematology Onc. Assoc. of NW Florida	Tim Broeseker, MD	877-8166	1632 Riggins Rd	Tallahassee
Hematology-Oncology	Hematology Onc. Assoc. of NW Florida	Ralph Mabry, MD	877-8166	1632 Riggins Rd	Tallahassee
Hematology-Oncology	Hematology Onc. Assoc. of NW Florida	J. Brian Sheedy, MD	877-8166	1632 Riggins Rd	Tallahassee
Hematology-Oncology	Hematology Onc. Assoc. of NW Florida	Frank Santoli, MD	877-8166	1632 Riggins Rd	Tallahassee
Inf. Disease - Pediatric	Tallahassee Primary Care Associates	Airtablan, Neclar, M.D.	224-8830	1132 Lee Avenue	Tallahassee
Nephrology	North Florida Nephrology Asso.	Clarence V. Magate, MD	942-1291	1609 Physicians Dr	Tallahassee
Nephrology	North Florida Nephrology Asso.	H Avon D...	942-1291	1609 Physicians Dr	Tallahassee

United Healthcare Tallahassee Area Network

Specialty	Group Name	Physician	Phone	Address	City
Pediatrics	Tallahassee Primary Care Associates	Cross, Susan, M.D.	681-3887	1205 Marion Avenue	Tallahassee
Pediatrics	Tallahassee Primary Care Associates	Hugger, Kennetha, M.D.	877-6119	2420 East Plaza Drive	Tallahassee
Pediatrics	Tallahassee Primary Care Associates	Kling, Elizabeth, M.D.	681-3887	1205 Marion Avenue	Tallahassee
Pediatrics	Tallahassee Primary Care Associates	Long, Charles, M.D.	681-3887	1205 Marion Avenue	Tallahassee
Pediatrics	Tallahassee Primary Care Associates	Middlemass, Robert, III, M.D.	681-3887	1205 Marion Avenue	Tallahassee
Pediatrics	Tallahassee Primary Care Associates	Simmons, Kathryn, M.D.	681-3887	1205 Marion Avenue	Tallahassee
Pediatrics	Tallahassee Primary Care Associates	Singh, Jayati, M.D.	681-3887	1205 Marion Avenue	Tallahassee
Pediatrics	Tallahassee Primary Care Associates	St. Petery, Julia, M.D.	224-8830	1132 Lee Avenue	Tallahassee
URGENT CARE	Patients First	Patients First Apalachee Parkway	878-8843	1160 Apalachee Parkway	Tallahassee
URGENT CARE	Patients First	Patients First Appleyard	576-8988	505 Appleyard Drive	Tallahassee
URGENT CARE	Patients First	Patients First Lake Ella	385-2222	1690 North Monroe Street	Tallahassee
URGENT CARE	Patients First	Patients First North	562-2010	3258 North Monroe Street	Tallahassee
URGENT CARE	Patients First	Patients First Northampton	668-3380	2907 Kerry Forest Parkway	Tallahassee
URGENT CARE	Patients First	Patients First Raymond Dietl	386-2286	3401 Capital Circle NE	Tallahassee
Nurse Practitioner	Myers, Angela Deleon, A.R.N.P.	Myers, Angela Deleon, A.R.N.P.	309-1665	225 Office Plaza Drive	Tallahassee
Specialists					
Allergy & Immunology	Malone, Rand A., IV, M.D.	Malone, Rand A., IV, M.D.	656-6297	1634 North Plaza Drive, Suite A	Tallahassee
Allergy & Immunology	Saff, Ronald H MD	Saff, Ronald H MD	386-6680	2300 Centerville Rd.	Tallahassee
Anesthesia	Anesthesiology Assoc. of Tallahassee	Anesthesiology Assoc. of Tallahassee	385-0144	2173-A Centerville Place	Tallahassee
Anesthesia	Anesthesia Cooperative of Tallahassee	Anesthesia Cooperative of Tallahassee	878-7246	1905 Capital Circle NE	Tallahassee
Cardiology	Medical Group of North Florida	Bachtel, Michelle MD,	658-2653	2626 Care Dr., #100	Tallahassee
Cardiology	Medical Group of North Florida	Baker, Joseph MD,	656-2653	2626 Care Dr., #100	Tallahassee
Cardiology	Medical Group of North Florida	Shamsham, Faadi MD	656-2653	2626 Care Dr., #100	Tallahassee
Cardiology	Southern Medical Group	Allee, J Galt M.D.	216-0160	1401 Centerville Rd #700	Tallahassee
Cardiology	Southern Medical Group	Batchelor, Wayne M.D.	216-0160	1401 Centerville Rd #700	Tallahassee
Cardiology	Southern Medical Group	Cox, Marilyn M.D.	216-0160	1401 Centerville Rd #700	Tallahassee
Cardiology	Southern Medical Group	Gredler, Frank M.D.	216-0160	1401 Centerville Rd #700	Tallahassee
Cardiology	Southern Medical Group	Hayes, Mark A. M.D.	216-0160	1401 Centerville Rd #700	Tallahassee
Cardiology	Southern Medical Group	Khairallah, Farhat, M.D.	216-0160	1401 Centerville Rd #700	Tallahassee
Cardiology	Southern Medical Group	Katopodis, John M.D.	216-0160	1401 Centerville Rd #700	Tallahassee
Cardiology	Southern Medical Group	McKenzie, Earl M.D.	216-0160	1401 Centerville Rd #700	Tallahassee
Cardiology	Southern Medical Group	Smith, David W M.D.	216-0160	1401 Centerville Rd #700	Tallahassee
Cardiology	Southern Medical Group	Tedrick, David L M.D.	216-0160	1401 Centerville Rd #700	Tallahassee
Cardiothoracic Surgery	Jawde, Andre M.D.	Jawde, Andre M.D.	942-2337	1401 Centerville Rd, #305	Tallahassee
Cardiovascular Surgery	Rosenblum, Harry, M.D.	Rosenblum, Harry, M.D.	877-0444	1896-A Buford Blvd.	Tallahassee
Cardiovascular Surgery	Tallahassee Heart Surgery Center, PA	Bixler, Thomas MD	878-6164	1405 Centerville Rd	Tallahassee
Cardiovascular Surgery	Tallahassee Heart Surgery Center, PA	Hurt, Julian E., M.D.	878-6164	1405 Centerville Rd	Tallahassee
Cardiovascular Surgery	Tallahassee Heart Surgery Center, PA	Murrah, Charles P., M.D.	878-6164	1405 Centerville Rd	Tallahassee
Cardiovascular Surgery	Tallahassee Heart Surgery Center, PA	Saint, David M.D.	878-6164	1405 Centerville Rd	Tallahassee
Dermatology	Dermatology Associates, P.A.	Cognetta, Armand Bjr, MD	877-4134	1707 Riggins Rd.	Tallahassee
Dermatology	Dermatology Associates, P.A.	Hood, David E MD	877-4134	1707 Riggins Rd.	Tallahassee
Dermatology	Dermatology Associates, P.A.	Low, Gordon J MD	877-4134	1707 Riggins Rd.	Tallahassee
Dermatology	Dermatology Associates, P.A.	McKinney, Meredith MD	877-4134	1707 Riggins Rd.	Tallahassee

UnitedHealthcare Tallahassee Area Network

Specialty	Group Name	Physician	Phone	Address	City
FamilyPractice	Tallahassee Primary Care Associates	Hempel, Karl, M.D.	701-0621	1511 Surgeons Drive	Tallahassee
FamilyPractice	Tallahassee Primary Care Associates	Hogan, Patricia, M.D.	309-1972	2850-A Capital Medical Blvd.	Tallahassee
FamilyPractice	Tallahassee Primary Care Associates	Kepper, William, M.D.	877-5143	1885 Professional Park Circle, Ste 30	Tallahassee
FamilyPractice	Tallahassee Primary Care Associates	Lee, Esias, M.D.	877-7161	3333 Capital Oaks Drive	Tallahassee
FamilyPractice	Tallahassee Primary Care Associates	Morse, William, M.D.	878-2222	1803 Miccosukee Commons Drive	Tallahassee
FamilyPractice	Tallahassee Primary Care Associates	Perry, Gregory, M.D.	942-5775	1511 Surgeons Drive	Tallahassee
FamilyPractice	Tallahassee Primary Care Associates	Roster, Laura, M.D.	309-1972	2850-A Capital Medical Blvd.	Tallahassee
FamilyPractice	Tallahassee Primary Care Associates	Serto, Thomas, M.D.	386-8899	1803 Miccosukee Commons Drive	Tallahassee
FamilyPractice	Tallahassee Primary Care Associates	Thompson, Wendy, M.D.	942-0180	2858 Mahan Drive, Ste 5	Tallahassee
FamilyPractice	Tallahassee Primary Care Associates	Vanlandingham, Hugh, M.D.	878-6134	1511 Surgeons Drive	Tallahassee
FamilyPractice	Tallahassee Primary Care Associates	VanSickle, Chris, M.D.	656-1000	1636 North Plaza Drive	Tallahassee
FamilyPractice	Tallahassee Primary Care Associates	Williams, Gregory, M.D.	386-8899	1803 Miccosukee Commons Drive	Tallahassee
FamilyPractice	Tallahassee Primary Care Associates	Winchester, Gary, M.D.	878-6134	1511 Surgeons Drive	Tallahassee
FamilyPractice	Wilson Family Medicine	Wilson, Les MD	219-2273	2009 Miccosukee Rd.	Tallahassee
FamilyPractice	Wilson Family Medicine	Erwin-Wilson, Vicki MD	219-2273	2009 Miccosukee Rd.	Tallahassee
Internal Medicine	Impact Health	Eminika, Mignon MD	656-2006	2418 East Plaza Drive	Tallahassee
Internal Medicine	Impact Health	Eminika, Uchenna MD	656-2006	2418 East Plaza Drive	Tallahassee
Internal Medicine	Szczesny, John M MD	Szczesny, John M MD	877-3191	1630 Riggins Road	Tallahassee
Internal Medicine	Medical Group of North Florida	Damon, Rick A MD	878-8235	2626 Care Dr., #200	Tallahassee
Internal Medicine	Medical Group of North Florida	Lakshmin, Gurusami M MD	878-8235	2626 Care Dr., #200	Tallahassee
Internal Medicine	Medical Group of North Florida	Randell, Andrea L MD	878-8235	2626 Care Dr., #200	Tallahassee
Internal Medicine	Medical Group of North Florida	Thacker, Richard R MD	878-8235	2626 Care Dr., #200	Tallahassee
Internal Medicine	Medical Group of North Florida	Waldenberger, Leonard J MD	878-8235	2626 Care Dr., #200	Tallahassee
Internal Medicine	Southern Medical Group	Forsythe, Michael M.D.	216-0160	1401 Centerville Rd #700	Tallahassee
Internal Medicine	Southern Medical Group	Hanson, Richard Scott, M.D.	216-0160	1401 Centerville Rd #700	Tallahassee
Internal Medicine	Southern Medical Group	Judelle, Jesse M.D.	216-0160	1401 Centerville Rd #700	Tallahassee
Internal Medicine	Southern Medical Group	Loucks, Donald M.D.	216-0160	1401 Centerville Rd #700	Tallahassee
Internal Medicine	Southern Medical Group	Milal, Salish, M.D.	216-0160	1401 Centerville Rd #700	Tallahassee
Internal Medicine	Southern Medical Group	Rowland, Robert M.D.	216-0160	1401 Centerville Rd #700	Tallahassee
Internal Medicine	Southern Medical Group	Rahangdale, Sandeep M.D.	216-0160	1401 Centerville Rd #700	Tallahassee
Internal Medicine	Southern Medical Group	Smith, Orson M.D.	216-0160	1401 Centerville Rd #700	Tallahassee
Internal Medicine	Tallahassee Memorial Family Practice Residency Program	Watson, Dean D., M.D.	431-5430	1301 Hodges Drive	Tallahassee
Pediatrics	Children's Clinic	Deeb, Larry MD	877-7123	2416 E. Plaza Dr	Tallahassee
Pediatrics	Children's Clinic	Gutman, David MD	877-7123	2416 E. Plaza Dr	Tallahassee
Pediatrics	Children's Clinic	Peele, Thomas MD	877-7123	2416 E. Plaza Dr	Tallahassee
Pediatrics	Children's Clinic	Rodriguez, Christina MD,	877-7123	2416 E. Plaza Dr	Tallahassee
Pediatrics	Children's Health Associates	Assi, John MD,	878-5322	111 South Magnolia Drive, Ste 10	Tallahassee
Pediatrics	Impact Health	Eminika, Mignon MD.	656-2006	2418 East Plaza Drive	Tallahassee
Pediatrics	Impact Health	Eminika, Uchenna MD	656-2006	2418 East Plaza Drive	Tallahassee
Pediatrics	North Florida Pediatric Associates	Simmons, William P MD	877-1162	1633 Physicians Dr.	Tallahassee
Pediatrics	North Florida Pediatric Associates	Walker, Frank C Jr, MD	877-1162	1633 Physicians Dr.	Tallahassee
Pediatrics	Professional Park Pediatrics	Bunnell, Wallace G. M.D.	402-5454	1881 Professional Park Circle, Suite 80	Tallahassee
Pediatrics	Professional Park Pediatrics	Elzie, John	402-5454	1881 Professional Park Circle, Suite 80	Tallahassee
Pediatrics	Professional Park Pediatrics	Marin, James			Tallahassee

Capital Regional Medical Center
Tallahassee Memorial Hospital
HealthSouth Rehabilitation Hospital

Primary Care

Specialty	Group Name	Physician	Phone	Address	City
FamilyPractice	Abiordeppry, Joy MD	Abiordeppry, Joy MD	878-8899	1612 W. Plaza Dr.	Tallahassee
FamilyPractice	Armstrong, Jeffrey, MD	Armstrong, Jeffrey, MD	942-5565	1843 Fiddler Court	Tallahassee
FamilyPractice	Gibson, Janet, M.D.	Gibson, Janet, M.D.	513-0667	1424 West Tennessee Street	Tallahassee
FamilyPractice	Kaufman, William P., M.D.	Kaufman, William P., M.D.	656-8911	1616 Riggins Road	Tallahassee
FamilyPractice	Kelch, Julie, M.D.	Kelch, Julie, M.D.	385-1839	616 Universal Dr	Tallahassee
FamilyPractice	Kimble, Cynthia, MD	Kimble, Cynthia, MD	877-4744	2451 Centerville Rd.	Tallahassee
FamilyPractice	Medical Group of North Florida	Kapoth, David M.D.	219-2351	2626 Care Dr., #200	Tallahassee
FamilyPractice	Medical Group of North Florida	Putland, Michael M.D.	878-8235	2626 Care Dr., #200	Tallahassee
FamilyPractice	McCoy, Terence M.D.	McCoy, Terence M.D.	877-8171	2412 W Plaza Drive	Tallahassee
FamilyPractice	Ness, John L., M.D.	Ness, John L., M.D.	385-1839	616 Universal Dr	Tallahassee
FamilyPractice	Patients First, Northampton	Janney, Ashley, M.D.	668-3380	2907 Kerry Forest Parkway	Tallahassee
FamilyPractice	Patients First, Northampton	Morgan, Ruth S., M.D.	668-3380	2907 Kerry Forest Parkway	Tallahassee
FamilyPractice	Patients First, Northampton	Reese, Randy R., M.D.	668-3380	2907 Kerry Forest Parkway	Tallahassee
FamilyPractice	Patients First, Northampton	Smith, Victoria L., M.D.	668-3380	2907 Kerry Forest Parkway	Tallahassee
FamilyPractice	Patients First, Lake Ella	Davis, Katherine H., M.D.	385-2222	1690 North Monroe Street	Tallahassee
FamilyPractice	Patients First, Lake Ella	Peters, Dan, M.D.	385-2222	1690 North Monroe Street	Tallahassee
FamilyPractice	Patients First, North	Easterling, Rebecca, M.D.	562-2010	3258 North Monroe Street	Tallahassee
FamilyPractice	Patients First, North	Forester, Edward, M.D.	562-2010	3258 North Monroe Street	Tallahassee
FamilyPractice	Patients First, Appleyard	Goff, Len, M.D.	576-8988	505 Appleyard Drive	Tallahassee
FamilyPractice	Patients First, Appleyard	Nguyen, Dung, M.D.	576-8988	505 Appleyard Drive	Tallahassee
FamilyPractice	Patients First, Appleyard	Strong, Cyneitha, M.D.	576-8988	505 Appleyard Drive	Tallahassee
FamilyPractice	Patients First, Apalachee	Hellgren, Tracey E., M.D.	878-8843	1160 Apalachee Pkwy	Tallahassee
FamilyPractice	Patients First, Apalachee	McGee, Tiffani D., M.D.	878-8843	1160 Apalachee Pkwy	Tallahassee
FamilyPractice	Patients First, Apalachee	Placilla, William, M.D.	878-8843	1160 Apalachee Pkwy	Tallahassee
FamilyPractice	Patients First, Apalachee	Williams, Barbara, M.D.	878-8843	1160 Apalachee Pkwy	Tallahassee
FamilyPractice	Ross, Fred MD	Ross, Fred MD	878-8899	1612 W. Plaza Dr.	Tallahassee
FamilyPractice	Tallahassee Memorial Family Practice Residency Program	Jernigan, Lisa M. (AKA Kohler), M.D.	431-5430	1301 Hodges Drive	Tallahassee
FamilyPractice	Tallahassee Memorial Family Practice Residency Program	Machado, Ronald L., M.D.	431-5430	1301 Hodges Drive	Tallahassee
FamilyPractice	Tallahassee Memorial Family Practice Residency Program	Mazzotta, Joseph, M.D.	431-5430	1301 Hodges Drive	Tallahassee
FamilyPractice	Tallahassee Memorial Family Practice Residency Program	Purvis, John R., M.D.	431-5430	1301 Hodges Drive	Tallahassee
FamilyPractice	Tallahassee Memorial Family Practice Residency Program	Walker, Timothy, M.D.	431-5430	1301 Hodges Drive	Tallahassee
FamilyPractice	Tallahassee Memorial Family Practice Residency Program	Zorn, Donald, M.D.	431-5430	1301 Hodges Drive	Tallahassee

UnitedHealthcare Tallahassee Area Network

Specialty	Group Name	Physician	Phone	Address	City
Pain Management	Anesthesiology Assoc. of Tallahassee	Khanna, Parveen, MD	205-7246	2535 Capital Medical Blvd.	Tallahassee
Pain Management	Pain Institute of North Florida	George Arcos, MD	878-7246	1905 NE Capital Circle	Tallahassee
Pathology	Pathology Associates	Pathology Associates	878-5143	1899 Elder Ct.	Tallahassee
Perinatology	TMH Family Medicine - Mahan	Willis, Donald C., M.D.	856-8026	2433 Mahan Drive	Tallahassee
Physical & Rehabilitative Medicine	Medical Rehabilitative Specialists	Mauro, Kirk J., M.D.	878-5143	1803 Miccosukee Commons Dr. #202	Tallahassee
Podiatry	Medical Group of North Florida	Derickson, Kevin M DPM	219-2351	2626 Care Dr., #200	Tallahassee
Podiatry	Southeastern Podiatry Clinic	Reynolds, Paul D., DPM	942-0096	2858 Mahan Dr, Suite 1	Tallahassee
Podiatry	Tallahassee Podiatry Associates	Johnson, Harlein DPM	878-6998	1866 Buford Blvd	Tallahassee
Podiatry	Tallahassee Podiatry Associates	Merritt, George N. DPM	878-6998	1866 Buford Blvd	Tallahassee
Podiatry	Tallahassee Podiatry Associates	Rowan, Russell DPM	878-6998	1866 Buford Blvd	Tallahassee
Podiatry	Tallahassee Podiatry Associates	Spooner, Bryan DPM	878-6998	1866 Buford Blvd	Tallahassee
Pulmonology	Tallahassee Pulmonary Clinic	Carlos Campo, MD	878-8714	1401 Centerville Rd#G-02	Tallahassee
Pulmonology	Tallahassee Pulmonary Clinic	Ray Dolly, MD	878-8714	1401 Centerville Rd#G-02	Tallahassee
Pulmonology	Tallahassee Pulmonary Clinic	David Huang, MD	878-8714	1401 Centerville Rd#G-02	Tallahassee
Pulmonology	Tallahassee Pulmonary Clinic	Cliffon Bailey, MD	878-8714	1401 Centerville Rd#G-02	Tallahassee
Pulmonology	Tallahassee Pulmonary Clinic	John Thabes, MD	878-8714	1401 Centerville Rd#G-02	Tallahassee
Pulmonology	Tallahassee Pulmonary Clinic	Pratef Pattel, MD	878-8714	1401 Centerville Rd#G-02	Tallahassee
Pulmonology	Tallahassee Pulmonary Clinic	Josh Davis, MD	878-8714	1401 Centerville Rd#G-02	Tallahassee
Radiation Oncology	N. FL Radiation Oncology Associates	Bolek, Timothy, M.D.	431-5255	1300 Miccosukee Rd.	Tallahassee
Radiation Oncology	N. FL Radiation Oncology Associates	Sharp, Phillip, M.D.	431-5255	1300 Miccosukee Rd.	Tallahassee
Radiation Oncology	Southeast Regional Cancer Center	David Cho, MD	878-2273	2003 Centre Point Blvd	Tallahassee
Radiation Oncology	Southeast Regional Cancer Center	Bobby Harrison, MD	878-2273	2003 Centre Point Blvd	Tallahassee
Radiation Oncology	Southeast Regional Cancer Center	Eric Rost, MD	878-2273	2003 Centre Point Blvd	Tallahassee
Radiology	Radiology Associates	Radiology Associates & Women's Imaging Center	878-4127	1600 Phillips Road	Tallahassee
Radiology - Interventional	Vascular Surgery Associates, P.A.	Bianco, Charles C. M.D.	877-8539	1911 Miccosukee Road	Tallahassee
Rheumatology	Szczesny, John M., M.D.	Szczesny, John M., M.D.	877-3191	1630 Riggins Road	Tallahassee
Rheumatology	Tallahassee Primary Care Associates	Canella, Amy, M.D.	386-8899	1803 Miccosukee Commons Drive	Tallahassee
Rheumatology	Zeb, Shahid, M.D.	Zeb, Shahid, M.D.	671-4800	2558 Capital Medical Blvd, #A	Tallahassee
Surgery - General	Roy Schwartz, MD	Roy Schwartz, MD	219-9644	1910 Buford Blvd., #B	Tallahassee
Surgery - General	Southeastern Surgical Group	Snyder, Robert, M.D.	877-5183	1401 Centerville Road	Tallahassee
Surgery - General	Southeastern Surgical Group	Zorn, Richard, M.D.	877-5183	1401 Centerville Road	Tallahassee
Surgery - General	Tallahassee Surgical Associates, P.A.	Crooms, Jeffrey, M.D.	877-6212	1405 Centerville Rd #4400	Tallahassee
Surgery - General	Tallahassee Surgical Associates, P.A.	Hipp, Timothy, M.D.	877-6212	1405 Centerville Rd #4400	Tallahassee
Surgery - General	Tallahassee Surgical Associates, P.A.	Ruark, Tim, M.D.	877-6212	1405 Centerville Rd #4400	Tallahassee
Surgery - General	Tallahassee Surgical Associates, P.A.	Sleloff, Eliot, M.D.	877-6212	1405 Centerville Rd #4400	Tallahassee
Surgery - Vascular	Vascular Surgery Associates, P.A.	Kaelin, Lawrence, M.D.	877-8539	1911 Miccosukee Road	Tallahassee
Surgery - Vascular	Vascular Surgery Associates, P.A.	Levitt, Adam, M.D.	877-8539	1911 Miccosukee Road	Tallahassee
Surgery - Vascular	Vascular Surgery Associates, P.A.	Lawhorn, Thomas, M.D.	877-8539	1911 Miccosukee Road	Tallahassee

United Healthcare Tallahassee Area Network

Specialty	Group Name	Physician	Phone	Address	City
Nephrology	North Florida Nephrology Asso.	Cynthia Goubory, MD	942-1291	1609 Physicians Dr	Tallahassee
Nephrology	North Florida Nephrology Asso.	John C Peterson, MD	942-1291	1609 Physicians Dr	Tallahassee
Nephrology	North Florida Nephrology Asso.	Gary P Hansen, MD	942-1291	1609 Physicians Dr	Tallahassee
Neurology	Tallahassee Neurological Clinic	True Martin, MD	878-8121	1401 Centerville Rd #300	Tallahassee
Neurology	Tallahassee Neurological Clinic	Ricardo Ayala, MD	878-8121	1401 Centerville Rd #300	Tallahassee
Neurology	Tallahassee Neurological Clinic	Winston Ortiz, MD	878-8121	1401 Centerville Rd #300	Tallahassee
Neurology	Tallahassee Neurological Clinic	Leonard DaSilva, MD	878-8121	1401 Centerville Rd #300	Tallahassee
Neurosurgery	Sean Fitzgerald, M.D.	Sean Fitzgerald, M.D.	656-1383	1885 Professional Park Circle #10	Tallahassee
Neurosurgery	Tallahassee NeuroSurgical Assoc.	Mark Cuffe, MD	877-5115	1401 Centerville Rd	Tallahassee
Neurosurgery	Tallahassee NeuroSurgical Assoc.	Christopher Rumana, MD	877-5115	1401 Centerville Rd	Tallahassee
Neurosurgery	Tallahassee NeuroSurgical Assoc.	Vildan Mullin, M.D.	877-5115	1401 Centerville Rd	Tallahassee
Neurosurgery	Tallahassee NeuroSurgical Assoc.	Albert Lee, M.D.	877-5115	1401 Centerville Rd	Tallahassee
Ophthalmology	Aaron Applah, M.D.	Aaron Applah, M.D.	201-4733	2280 Wednesday Street	Tallahassee
Ophthalmology	Alpha Eye Clinic	Isaac Moore, M.D.	385-0033	2160 Capital Circle, N.E.	Tallahassee
Ophthalmology	Thomas Lawrence, MD	Thomas Lawrence, MD	942-3937	3401 Capital Medical Blvd	Tallahassee
Ophthalmology	Southern Vitreoretinal	Charles K Newell, M.D.	942-6700	2439 Care Dr.	Tallahassee
Ophthalmology	Southern Vitreoretinal	Harold L Brooks Jr, MD	942-6700	2439 Care Dr.	Tallahassee
Ophthalmology	Southern Vitreoretinal	Robert L Steinmetz, M.D.	942-6700	2439 Care Dr.	Tallahassee
Orthopedics	N. FL. Sports Med. & Orthopedic Cntr	Butler, Craig, M.D.	878-2549	1221-A Hodges Dr.	Tallahassee
Orthopedics	N. FL. Sports Med. & Orthopedic Cntr	Loeb, Peter, M.D.	878-2549	1221-A Hodges Dr.	Tallahassee
Orthopedics	Tallahassee Orthopedic Clinic	Dewey, Donald M., M.D.	877-8174	3334 Capital Medical Blvd #400	Tallahassee
Orthopedics	Tallahassee Orthopedic Clinic	Alexander, Gregg, M.D.	877-8174	3334 Capital Medical Blvd #400	Tallahassee
Orthopedics	Tallahassee Orthopedic Clinic	Bellamy, Raymond, M.D.	877-8174	3334 Capital Medical Blvd #400	Tallahassee
Orthopedics	Tallahassee Orthopedic Clinic	Bellamy, David, M.D.	877-8174	3334 Capital Medical Blvd #400	Tallahassee
Orthopedics	Tallahassee Orthopedic Clinic	Berg, David C., M.D.	877-8174	3334 Capital Medical Blvd #400	Tallahassee
Orthopedics	Tallahassee Orthopedic Clinic	Borom, Andrew, M.D.	877-8174	3334 Capital Medical Blvd #400	Tallahassee
Orthopedics	Tallahassee Orthopedic Clinic	Fahey, Mark, M.D.	877-8174	3334 Capital Medical Blvd #400	Tallahassee
Orthopedics	Tallahassee Orthopedic Clinic	Haney, Thomas, M.D.	877-8174	3334 Capital Medical Blvd #400	Tallahassee
Orthopedics	Tallahassee Orthopedic Clinic	Henderson, William, M.D.	877-8174	3334 Capital Medical Blvd #400	Tallahassee
Orthopedics	Tallahassee Orthopedic Clinic	Jaggars, Floyd, M.D.	877-8174	3334 Capital Medical Blvd #400	Tallahassee
Orthopedics	Tallahassee Orthopedic Clinic	Park, Thomas, M.D.	877-8174	3334 Capital Medical Blvd #400	Tallahassee
Orthopedics	Tallahassee Orthopedic Clinic	Rolle, Gary A., M.D.	877-8174	3334 Capital Medical Blvd #400	Tallahassee
Orthopedics	Tallahassee Orthopedic Clinic	Stowers, Kitis, M.D.	877-8174	3334 Capital Medical Blvd #400	Tallahassee
Orthopedics	Tallahassee Orthopedic Clinic	Thompson, William H., M.D.	877-8174	3334 Capital Medical Blvd #400	Tallahassee
Orthopedics	Tallahassee Orthopedic Clinic	Thornberry, Robert L., M.D.	877-8174	3334 Capital Medical Blvd #400	Tallahassee
Orthopedics	Tallahassee Orthopedic Clinic	Wingo, Charles H., M.D.	877-8174	3334 Capital Medical Blvd #400	Tallahassee
Orthopedics	Tallahassee Orthopedic Clinic	Wong, Andrew, M.D.	877-8174	3334 Capital Medical Blvd #400	Tallahassee
Otolaryngology	Tallahassee E.N.T., Head & Neck Surgery	Becker, Marie O., M.D.	877-0101	1405 Centerville Rd	Tallahassee
Otolaryngology	Tallahassee E.N.T., Head & Neck Surgery	Giffon, Spencer E., M.D.	877-0101	1405 Centerville Rd	Tallahassee
Otolaryngology	Tallahassee E.N.T., Head & Neck Surgery	Gunglaugsson, Chad, M.D.	877-0101	1405 Centerville Rd	Tallahassee
Otolaryngology	Tallahassee E.N.T., Head & Neck Surgery	Postma, Duncan, M.D.	877-0101	1405 Centerville Rd	Tallahassee
Otolaryngology	Tallahassee E.N.T., Head & Neck Surgery	Roberts, Adrian, M.D.	877-0101	1405 Centerville Rd	Tallahassee
Otolaryngology	Tallahassee E.N.T., Head & Neck Surgery	Snyder, Robert M., M.D.	877-0101	1405 Centerville Rd	Tallahassee
Otolaryngology	Tallahassee E.N.T., Head & Neck Surgery	Soto, Joseph N., M.D.	877-0101	1405 Centerville Rd	Tallahassee

UnitedHealthcare Calhoun & Liberty County Provider Network
Hospital/ Calhoun-Liberty Hospital

**Primary
 Care**

Specialty	Group Name	Physician	Phone	Address	City	
Practice	TMH Family Medicine - Blountstown	Bristol, Clifford S., M.D.	674-4524	17808 NE Charlie Johns Street	Blountstown	32424
Practice	TMH Family Medicine - Blountstown	Skipper, Gerald, M.D.	674-4524	17808 NE Charlie Johns Street	Blountstown	32424

UnitedHealthcare Gadsden County Provider Network

Hospital Gadsden Community Hospital

Primary Care

Specialty	Group Name	Physician	Phone	Address	City	
Family Practice	TMH Family Medicine - Quincy	Whiddon, George R., M.D.	875-3600	178 Lasalle Lefall Drive	Quincy	32351
Family Practice	TMH Family Medicine - Quincy	Pappachristou, Dianne, D.O.	875-3600	178 Lasalle Lefall Drive	Quincy	32351
Family Practice	TMH Family Medicine - Quincy	Kent, Charles, M.D.	875-3600	178 Lasalle Lefall Drive	Quincy	32351
Family Practice	Chattahoochee Family Practice	Jetton, Timothy D, M.D.	863-5800	680 Maple Street	Chattahoochee	32324
Family Practice	Family Medical Clinic	Williams, Edwardo D., M.D.	863-4643	408 High Street	Chattahoochee	32324
Pediatrics	TMH Family Medicine - Quincy	Watts, Mohammed, M.D.	875-3600	178 Lasalle Lefall Drive	Quincy	32351
Ophthalmology	Abbey Eye Care	Abbey, Abbas A., M.D.	827-3600	101 North Madison Street	Quincy	32351

UnitedHealthcare Jackson County Provider Network

Primary Care

Specialty	Group Name	Physician	Phone	Address	City	ZIP
Family Practice	Panhandle Family Care Associates	Akerson, Mark R., M.D.	482-2910	4284 Kelson Avenue	Marianna	32446
Family Practice	Panhandle Family Care Associates	Spence, John A., M.D.	482-2910	4284 Kelson Avenue	Marianna	32446
Internal Medicine	Chintanadilok, Jirayos, M.D.	Chintanadilok, Jirayos, M.D.	482-2061	4296 Fifth Avenue	Marianna	32446
Internal Medicine	Rodriguez Jiminez, Horacio, M.D.	Rodriguez Jiminez, Horacio, M.D.	526-3555	2928 Daniels Street	Marianna	32446
Asthma & Allergy	Alabama Asthma & Allergy	Kalenian, Mark H., M.D.	526-4118	3028 Fourth Street	Marianna	32446
Asthma & Allergy	Alabama Asthma & Allergy	Rajashekhher, Veena, M.D.	526-4118	3028 Fourth Street	Marianna	32446
Orthopedics	Tallahassee Orthopedic Clinic	Berg, David C., M.D.	526-3236	4284 Kelson Avenue	Marianna	32446
Orthopedics	Tallahassee Orthopedic Clinic	Haney, Thomas C., M.D.	526-3236	4284 Kelson Avenue	Marianna	32446
Orthopedics	Tallahassee Orthopedic Clinic	Steve E. Jordan, M.D.	526-3236	4284 Kelson Avenue	Marianna	32446
Orthopedics	Tallahassee Orthopedic Clinic	William H. Thompson, M.D.	526-3236	4284 Kelson Avenue	Marianna	32446
Podiatry	Feltz Foot Clinic	Stogler, Robert W., D.P.M.	526-3668	3025 Sixth Street	Marianna	32446
Radiation Oncology	North Florida Cancer Care	Stokes, Steven H., M.D.	526-2104	4230 Hospital Drive, Suite 110	Marianna	32446

UnitedHealthcare Jefferson County Provider Network

Hospital
Capital Regional Medical Center
Tallahassee Memorial Hospital

Primary Care

Specialty	Group Name	Physician	Phone	Address	City	32344
Family Practice	TMH Family Medicine - Monticello	Mackay, John T., M.D.	997-0707	1549 South Jefferson Street	Monticello	32344
Family Practice	TMH Family Medicine - Monticello	Scotles, Wesley D., M.D.	997-0707	1549 South Jefferson Street	Monticello	32344
Family Practice	Gerry Medical Clinic	Davis, Jacquelyn, M.D.	997-2511	555 North Jefferson Street	Monticello	32344
Family Practice	Gerry Medical Clinic	Brinson, John B., Jr., M.D.	997-2511	555 North Jefferson Street	Monticello	32344
Family Practice	Gerry Medical Clinic	Brown, James T., M.D.	997-2511	555 North Jefferson Street	Monticello	32344

UnitedHealthcare Madison County Provider Network

Hospital
Madison County Hospital

Primary Care

Specialty	Group Name	Physician	Phone	Address	City	
Family Practice	Madison Hospital Clinic	Richardson, Charles, M.D.	973-3143	201 E MARION ST	Madison	32340
Family Practice	Madison Family Clinic	Dulay, Adolfo, M.D.	973-2767	302 NE HANCOCK ST	Madison	32340
Family Practice	Madison Family Clinic	Dulay, M. Linda, M.D.	973-2767	302 NE HANCOCK ST	Madison	32340
Family Practice	Four Freedoms Health Services	Schindler, Julie, D.O.	973-8365	204 N HANCOCK ST	Madison	32340

UnitedHealthcare Wakulla County Provider Network

Hospital
Capital Regional Medical Center
Tallahassee Memorial Hospital

Primary Care

Specialty	Group Name	Physician	Phone	Address	City	
Family Practice	Physician Care of Wakulla	Frable, Robert S., M.D.	926-6363	2615 Crawfordville Hwy, Suite 103	Crawfordville	32327
Family Practice	TMH Family Medicine - Wakulla	Lutz, Fredrick, M.D.	926-7105	15 Council Moore Road	Crawfordville	32327
Family Practice	TMH Family Medicine - Wakulla	Plagge, Andrea, M.D.	926-7105	15 Council Moore Road	Crawfordville	32327
Pediatrics	Reno Family Pediatrics	Reno, Richard C., M.D.	926-6588	1773 Crawfordville Hwy	Crawfordville	32327

UnitedHealthcare Washington County Provider Network

Northwest Florida Community Hospital

Specialty	Group Name	Physician	Phone	Address	City	Zip
Primary Care	Panhandle Family Medicine	Hatcher, Jason D., D.O.	850-638-4555	877 Third Street, Suite 4	Chipley	32428
Family Practice	Panhandle Family Medicine	Hatcher, Jason D., D.O.	850-638-4555	877 Third Street, Suite 3	Chipley	32428
Podiatry	Panhandle Family Medicine	Sidani, Jalal K., D.P.M.	850-769-1055	877 Third Street, Suite 3	Chipley	32428

Carrier Financial Ratings

- Blue Cross/Blue Shield of Florida
 - A.M. Best: A (date assigned 3/2002)
 - Moody's: A2 (date assigned 12/2004)
 - Standard & Poor's: A (date assigned 11/2001)
 - Fitch: None

Meets Mercer's minimum financial guidelines

- United Healthcare of Florida
 - A.M. Best: A (date assigned 7/2001)
 - Moody's: None
 - Standard & Poor's: A (date assigned 8/2002)
 - Fitch: A+ (date assigned 9/2001)

Meets Mercer's minimum financial guidelines

2

Mercer

Mercer cannot guarantee the financial stability of any carrier.

Carrier Financial Ratings (continued)

■ Vista Health Plan

- A.M. Best: C (date assigned 7/2002)
- Moody's: None
- Standard & Poor's: R (date assigned 7/2000)
- Fitch: None

Does not meet Mercer's minimum financial guidelines

■ Capital Health Plan

- A.M. Best: A - (date assigned 5/2004)
- Moody's: None
- Standard & Poor's: None
- Fitch: None

Meets Mercer's minimum financial guidelines

60

Mercer

Mercer cannot guarantee the financial stability of any carrier.

Carrier Financial Rating Explanations

A. M. Best

■ Secure Ratings:

- (A++, A+)
- (A, A-)

Superior - very strong ability to meet contractual obligations.

Excellent - strong ability to meet contractual obligations over a long period of time.

■ Vulnerable Ratings:

- (C, C-)

Weak - ability to meet contractual obligations, but their financial strength is very vulnerable to changes in underwriting or economic conditions.

Moody's

■ Strong Companies:

- Aaa: Exceptional Financial Security, fundamentally strong financial position.
- Aa: Excellent Financial Security, high grade company.
- A: Good Financial Security, factors may be present which suggest a susceptibility to impairment sometime in the future.
- Baa: Adequate Financial Security, certain protective elements may be lacking or may be characteristically unreliable over any great length of time.

Mercer

Carrier Financial Rating Explanations (continued)

- **Modifiers:**

- Rating followed by a "w" indicates company is on their watchlist.
- Moody's applies numerical modifiers 1, 2, and 3 in each generic rating category from Aa to Caa.
- The modifier 1 indicates that the insurance company ranks in the higher end of its generic rating category; the modifier 2 indicates a mid-range ranking; and the modifier 3 indicates that the company ranks in the lower end of its generic rating category.

Carrier Financial Rating Explanations (continued)

Standard & Poor's

■ Secure Ratings:

- AAA: Extremely Strong - extremely strong financial security characteristics that outweigh any vulnerabilities and is highly likely to have the ability to meet financial commitments.
- AAA: is the highest Insurer Financial Strength Rating assigned by S&P.
- AA: Very Strong - very strong financial security characteristics, differing only slightly from those rated higher.
- A: Strong - strong financial security characteristics, but is somewhat more likely to be affected by adverse business conditions than are insurers with higher ratings.
- BBB: Good - good financial security characteristics, but is more likely to be affected by adverse business conditions than are insurers with higher ratings.

■ Vulnerable Ratings:

- R: Regulatory Action - has experienced a regulatory action regarding solvency. The rating does not apply to insurers subject only to non-financial actions such as market conduct violations.

Carrier Financial Rating Explanations (Continued)

Fitch/Duff & Phelps

■ Secure Ratings:

- AAA
- (AA+, AA, AA-)
- (A+, A, A-)
- (BBB+, BBB, BBB-)

Highest claims paying ability. Risk factors are negligible.

Very high claims paying ability. Protection factors are strong.

High claims paying ability. Protection factors are average and there is an expectation of variability in risk over time due to economic and/or underwriting conditions.

Adequate claims paying ability. Protection factors are adequate. There is considerable variability in risk over time due to economic and/or underwriting conditions.

M/WBE Analysis of RFP/Bid Respondents

RFP/Bid #: BC-06-07-05-52

Title: Request for Proposals for Employee Medical Coverage

M/WBE % Goal: 15.50% Aspirational Composite

The M/WBE Office has reviewed three (3) firms that submitted proposals for Employee Medical Coverage for Leon County. The three proposals were reviewed to ascertain the M/WBE Participation Level on a point scale of 6 - 10. All respondents for the Employee Medical Coverage for Leon County proposal received zero points, due to incompleteness and/or non submittal of the Minority/Women Business Enterprise Participation plan. Capital Health Plan created an outline of M/WBE's, however the M/WBE form was not submitted; Vista Health Care completed an M/WBE participation plan but, did not identify the M/WBE's to be utilized; and United Health Care completed an M/WBE participation form but, did not list M/WBE firm(s) to whom they would subcontract the 15.5% of the ultimate fee.

The M/WBE Participation Level and points, detailed in the Request for Proposals, is as follows:

The respondent is certified as a Minority Business Firm with Leon County, as defined in the County's M/WBE policy.	10 Points
The respondent is a joint venture of two or more firms/individuals with a minimum participation in the joint venture of at least 20% by certified minority business firms/individuals.	8 Points
The respondent has certified that a minimum of 15.5% of the ultimate fee will be subcontracted to certified MBE Firm(s), and has identified in the proposal the MBE firm(s) that it intends to use.	6 Points

1	Respondent: Capital Health Care; Tallahassee, FL				
	Detail M/WBE Companies (respondent & subcontractors, as applicable)	Goods and Services	*E/G	**Cert. By	M/WBE Participation as % of Total Base Bid
1	The respondent did not submit an M/WBE form.				\$ -
	Total M/WBE Participation: 0 points	0.00%		Met M/WBE Goal?	No
2	Respondent: Vista Health Care; Tallahassee, FL				
	Detail M/WBE Companies (respondent & subcontractors, as applicable)	Goods and Services	*E/G	**Cert. By	M/WBE Participation as % of Total Base Bid
1	The respondent submitted an incomplete M/WBE form.				\$ -
	Total M/WBE Participation: 0 points	0.00%		Met M/WBE Goal?	No
3	Respondent: United Health Care; Tallahassee, FL				
	Detail M/WBE Companies (respondent & subcontractors, as applicable)	Goods and Services	*E/G	**Cert. By	M/WBE Participation as % of Total Base Bid
1	The respondent submitted an incomplete M/WBE form.				\$ -
	Total M/WBE Participation: 0 points	0.00%		Met M/WBE Goal?	No
*E/G (Ethnic/Gender): A = Asians; B = Black; H = Hispanic; N = Native American; F = Female **Certified By: LC = Leon County; CT = City of Tallahassee; LCSB = Leon County School Board					

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LEON COUNTY
HUMAN RESOURCES

MERCER

Human Resource Consulting

Leon County

Funding Alternatives:

Self-Funding vs. Fully Insured Plans



Marsh & McLennan Companies

Mercer HR Consulting
3031 N. Rocky Point Drive
Suite 700
Tampa, FL 33607
Telephone: (813) 207-5100
Fax: (813) 207-5190

Executive Summary

Mercer is pleased to present a summary of the funding alternatives for group health plans, including the differences between fully insured and self-funded health plans, as well as some of the advantages and disadvantages of each funding arrangement, for discussion and consideration for the Leon County health plan in future plan years.

Based on the 2004 Mercer National Survey of Employer Sponsored Health Plans:

- 18% of all surveyed companies with 500 + employees self-funded their HMO plans;
- 10% of all Government Entities surveyed self-funded their HMOs; and
- 13% of all County Government Entities self-funded their HMOs.

In general, the advantages of self-funding include: a possible reduction in first year costs due to claims lag time, investment earnings generated from holding reserves, greater flexibility in plan design and the potential for reduced fixed costs due to the unbundling of administrative and risk bearing services. The potential disadvantages include an increase in employer liability (both financially and legally), additional administrative responsibility, greater exposure to claims volatility and the possibility of "run-out" and ongoing claims after contract termination.

Mercer was asked to take available 2003 and 2004 claims data, as well as average administrative and reinsurance costs for a group of Leon County's size and demographics, and estimate any potential savings or increased cost for a self-funded program vs. the current fully insured program. These assumptions only allow a retrospective analysis of a self-funded program, and would not guarantee similar results in subsequent years due to variances in large claims experience, trend, and other factors. Assuming an average monthly enrollment of 3,774 members throughout the year, Mercer estimates total 2004 self-insured costs would have been \$10,839,766. Actual health insurance costs, as reported by Leon County, were \$11,817,598. This yields a potential savings of \$977,832, or 8.27%, retrospectively for 2004.

Executive Summary

Continued

It should be also be noted that because Leon County's 2006 renewal increase proposed by Capital Health Plan is flat, a self-funded program in 2005 or 2006 would likely not have produced the same level of savings, and may have actually cost the County more than the fully insured program. These expected higher costs for a self-funded program are based on factors such as medical trend, paid claims cost increases, and any migration into a different plan than the 2004 plan split. Finally, a self-funded program would utilize a leased PPO network, which not only impacts the claims costs due to lesser discounts (which have been accounted for), but also would create considerable disruption in the current provider network.

At Leon County's request, Mercer also examined the issue of increased volatility of health related employer payments in greater detail. For the time period January 1st, 2003 - December 31st, 2003, Leon County's average paid claims amount was \$163.66 per member per month. For the time period January 1st, 2004 - December 31st, 2004, Leon County's average paid claims amount was \$193.16 per member per month. Of the 24 months analyzed, there were 10 months in which Leon County's paid claims exceeded these averages, with 5 occurring in each year. The magnitude by which these higher claim months exceeded their respective annual averages ranged from 1.7% to 27.3%. This claims volatility, higher than average claims payments in 41% of the months, and increasing claims costs would have an impact on the rating of Leon County's costs each year at renewal regardless of the funding mechanism used.

In choosing a funding arrangement for your employee health plans, there are generally three alternatives: Fully-Insured (also called conventionally funded), minimum premium, and self-funded/self insured arrangements. Conventionally funded programs can be participating or non-participating. Non-participating arrangements do not have any surplus or deficit at year-end; the insurance company bears the entire risk.

Executive Summary

Continued

Participating arrangements allow the employer to recoup some of the premiums paid if there is a surplus at year-end. However a deficit situation may require additional payments from the employer at some point in the future. Minimum premium plans seek to maximize cash flow by "unbundling" the premium required and giving the employer flexibility on the timing of certain payments to the carrier. Under these types of funding arrangements, the employer's liability is limited to a pre-determined percentage of anticipated monthly or annual claims liability. Self funding or self insurance allows the insurance risk to be fully assumed by the employer. The extent of this risk may be limited by the purchase of stop-loss coverage.

Stop-loss coverage can be purchased at the individual level, in aggregate, or both. Individual stop-loss coverage provides the employer financial protection if any individual claimant exceeds a certain threshold. Aggregate stop-loss protection provides the employer financial protection if, in total, all claims exceed a certain threshold.

Although not a complete profile, below are some characteristics of firms that usually choose to self insure their benefit plans:

- Can accept volatility in claims, has the ability to withstand and fund potentially significant monthly variation in claims levels
- Reasonably smooth claim experience history
- Typically 500 employees or more
- Understands interrelationships and responsibilities among vendor contracts (TPA, Stop Loss Carrier, Case Management, etc.)
- Financial and Human Resources staff understand financial requirements, daily/weekly responsibilities and terminal reserve liabilities
- Higher Risk Tolerance - willing to accept more risk

Executive Summary

Continued

Conversely, the characteristics of firms that typically do not find self insurance to be attractive would be an organization that:

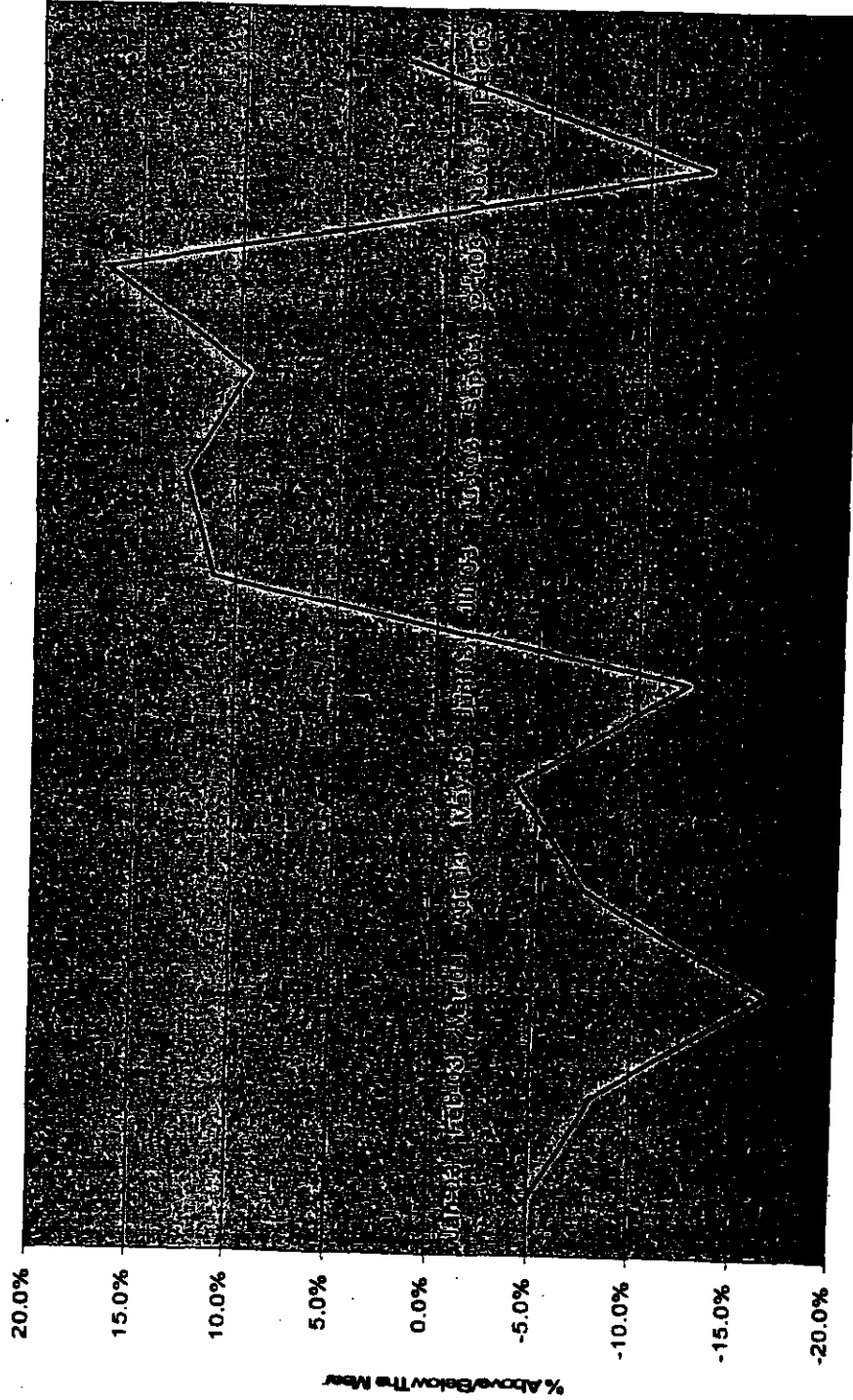
- Is shrinking in employee population
- Historically, has experienced a combination of poor or deteriorating claim experience and large claims
- Does not have a firm grasp of historical claims
- Prefers budgeted cost over increased cash flow and employer-held reserves
- Prefers not to take on any additional claims risk
- Has an inability to easily fund significant monthly claim fluctuations
- Does not desire increased Fiduciary Liability
- Prefers not to have additional burden and responsibility of administration, maintenance and evaluation of self-funded plans

Leon County 2004 Estimated Self-Insured Costs

MEMBERSHIP RANGE		TPA CHARGES	LARGE CLAIM RISK PREMIUM	TOTAL ADMINISTRATIVE COSTS
-	60	\$2,012	\$516	\$2,528
60	120	\$3,689	\$774	\$4,463
120	170	\$5,037	\$731	\$5,768
170	290	\$8,349	\$624	\$8,972
290	580	\$16,211	\$873	\$17,084
580	1,160	\$30,801	\$1,247	\$32,048
1,160	3,880	\$60,629	\$1,124	\$61,753
MONTHLY ADMINISTRATIVE COSTS		\$126,728	\$5,888	\$132,616
ANNUAL ADMINISTRATIVE COSTS		\$1,520,739	\$70,658	\$1,591,397
2004 PAID CLAIMS				\$8,746,534
2004 ESTIMATED CHP IBNR				\$277,121
2004 ESTIMATED VISTA IBNR				\$224,714
TOTAL ESTIMATED SELF-INSURED COSTS				\$10,839,766
ACTUAL FULLY INSURED PREMIUMS				\$11,817,598
POTENTIAL SAVINGS				\$977,832
% SAVINGS				8.27%

Please note all projections are estimates based on numerous assumptions and information available at a point in time and are subject to unforeseen and random events. Therefore, any projection must be interpreted as having a likely range of variability from the estimate.

Leon County PMPM* Claims Volatility - January 1, 2003 through December 31, 2003

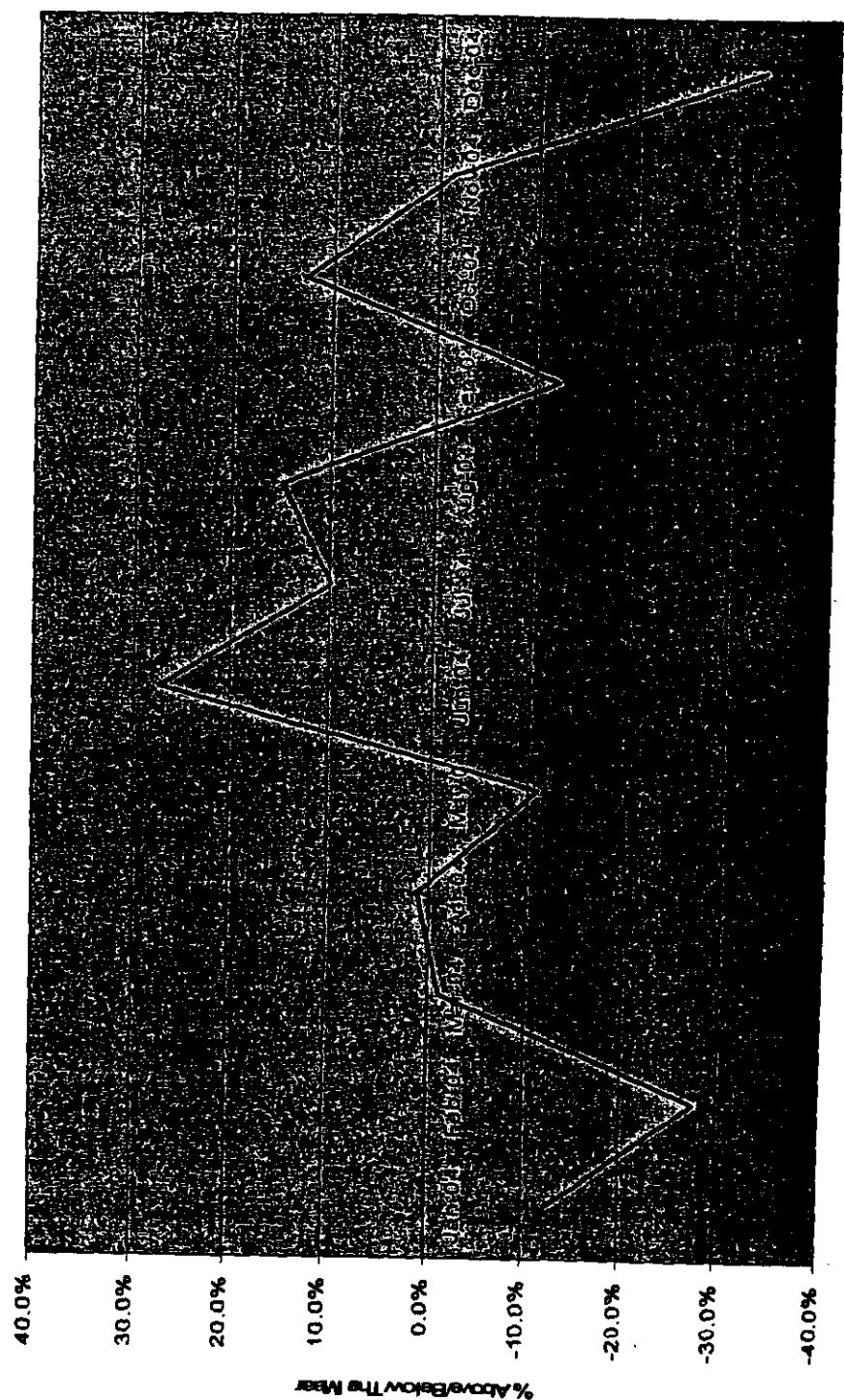


* Per Member Per Month

Month

Note: Percentages above zero indicate paid claims greater than the average, below zero indicates paid claims less than the average.

Leon County PMPM* Claims Volatility – January 1, 2004 through December 31, 2004



Month

* Per Member Per Month

Note: Percentages above zero indicate paid claims greater than the average, below zero indicates paid claims less than the average.

Advantages of Self Funding

■ Cash Flow

- In the first year, 60 to 90 days lag between when services rendered and the time claim is paid.
- In Year 1, plan pays 9 - 10 months of claims. Incurred but not reported (IBNR) claims attributable to the period are calculated, and often funded.

■ Reserves

- Incurred but not Reported (IBNR) reserves are held by the group. If the reserve is funded, the investment earnings will accrue to the benefit of the plan. If unfunded, capital remains as part of general assets.

■ State Regulations

- Plan can be designed without interference from state insurance department regulations, including state mandated coverage provisions.

■ Third Party Administrator

- Function as agent of the employer to pay claims.
- May perform other functions such as utilization management and network management.

■ Premium Taxes

- Eliminated.

■ Reduces Fixed Costs

- Purchase services unbundled.
- Captures fully insured surplus, if any.

Limitations of a Self-Funding

- Increased Liability
 - Employer retains all claim liability.
- Additional Administrative Responsibility
 - To the extent that services are unbundled.
 - May include HIPAA and COBRA administration.
- Terminal Liabilities
 - The employer assumes the liability of terminal runoff claims and usually all large ongoing claims.
- Legal Defenses
 - The employer is generally the plan fiduciary and assumes responsibility for legal liability.
- Cash Flow
 - Claims have to be funded by the company up to the Individual Stop Loss or Aggregate Stop Loss limits.
 - Fluctuations in monthly claims can vary significantly.
 - First year savings are eroded with maturation, and will be non-existent if reserve is funded unless claims liability is lower than expected.

Limitations of Self-Funding

Continued

- Renewal Stability
 - Reinsurance is one piece of the fixed cost, is more responsive to adverse claim experience.
 - During periods of adverse claim fluctuation, securing coverage or negotiating with reinsurance carriers may prove difficult.

Considerations of Self-Funding

- Important Considerations
 - "There is no such thing as a free lunch".
 - The ultimate cost of the plan will be the claims paid plus administration, less any investment return on plan assets accumulated over time.
 - Not a short-term "quick fix".
 - Health care cost trend factors are still an issue:
 - Proper plan design
 - Employee communication and participation
 - Network access costs and administration
 - Majority of plan cost is to pay claims and this is not significantly affected by method of financing.

Profile of a Company Attracted to Self-Funding

- Growing in employee head count
- Good plan participation (75% or higher)
- Reasonably smooth claim experience history
- Typically 500 or more employees
- Can accept volatility in claims, is able to fund large claims and wait for reimbursement
- Prefers to decrease non-claims expenses (state taxes, insurance company profit, administrative fee) in exchange for more claims risk and administrative responsibilities
- Desires more control over banking procedures
- Desires more control over claims and utilization reporting, monitoring and evaluation
- Desires more control over plan design

Profile of a Company Attracted to Self-Funding

Continued

- Willing to review managed care, subrogation, case management and provider patterns on an ongoing basis
- Has higher than average costs in current managed care plans
- Desires a uniform national program
- Understands interrelationships and responsibilities among vendor contracts (TPA, Stop Loss Carrier, Case Management, etc.)
- Financial and Human Resources staff understand financial requirements, daily/weekly responsibilities and terminal reserve liabilities
- Risk Tolerance – willing to accept more risk

Profile of a Company Not Attracted to Self-Funding

- Shrinking in employee population
- Historically, experienced a combination of poor or deteriorating claim experience and large claims
- Does not have a firm grasp of historical claims
- Prefers budgeted cost over increased cash flow and employer-held reserves
- Prefers not to take on any additional claims risk
- Does not desire increased Fiduciary Liability
- Prefers not to have additional burden and responsibility of administration, maintenance and evaluation of self-funded plans

Basics of Self-Funding

- All major aspects of the medical plan are unbundled, i.e., services are provided by several vendors (Third Party Administrator, reinsurer, disease management vendor, etc.) rather than a carrier. This is less true when carrier is providing ASO (A
- Most mid-sized employers the size of Leon County use a third-party-administrator (TPA) or insurance company (ASO).
- Reinsurance is purchased by the group to guard against significant aggregate or individual losses.
- Reinsurance premiums depend upon risk retention. Claims must exceed certain, pre-determined thresholds before the reinsurer will be liable. Lower thresholds equate to higher premiums. This method is not considered "insured" in the traditional sense.
- Reinsurer does not assume liability for claim payments to group members in the event of a default by the group.
- Self-funded groups are not required to provide mandated benefit levels required by "insured" contracts by the state insurance department.
- The employer group assumes direct and ultimate (Fiduciary) responsibility for providing health plan benefits

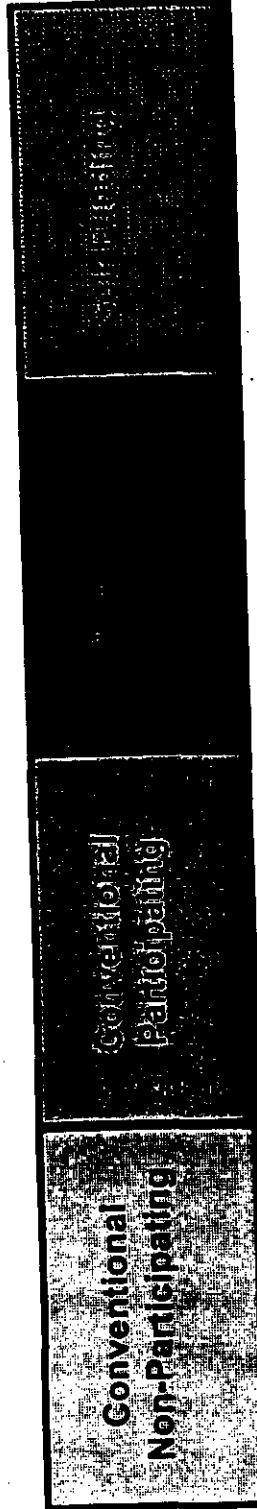
Funding Issues Comparison

ISSUES	INSURED PLANS	ASO PLANS OR SELF-FUNDED W/STOP LOSS
Budgetability	Premiums are predictable and easily budgetable from month to month	The cost to the employer is actual claims plus administration fees; the costs can vary from month to month
Employee Attitudes	An insured plan creates stability when backed by reputable carrier. However, there is little flexibility in the plan, and insurance claims personnel are less personal with larger companies.	Employees need to understand the concept of their cost being directly tied to the claims. Plans can be much more flexible, however, and communications can create a more positive attitude.
Legal Implications	The insurer is the fiduciary and settles any disputes which result in court action.	The employer as the plan sponsor is the final arbitrator of claims disputes.
Claims Adjudication	Administration is provided by the insurer who has a financial stake in proper administration of claims. Savings realized through discounts, coordination of benefits, etc. are returned to insurer	Administration is provided by either a Third Party Administrator (TPA) or insurance company who contracted to provide Administrative Services only (ASO contracts). Savings realized reduce the cost to the employer
Accountability	Responsibility for all services rests with the insurance company.	Services are unbundled and employer may be dealing with several vendors, including TPA, reinsurer, PPO networks.
Premium Taxes	Insurance company pays a percentage of the overall premium in the form of taxes. This is part of the plan cost to the employer.	In most states (including Florida) premium taxes do not apply to uninsured plans.
Reserves	Insurance companies are required to maintain adequate reserves to fund incurred but not reported claims. These costs are reflected in premiums paid by the employer.	Any incurred/unpaid claims would be the liability of the employer.

PROGRAM FUNDING ALTERNATIVES

Employer Risk

Carrier Risk



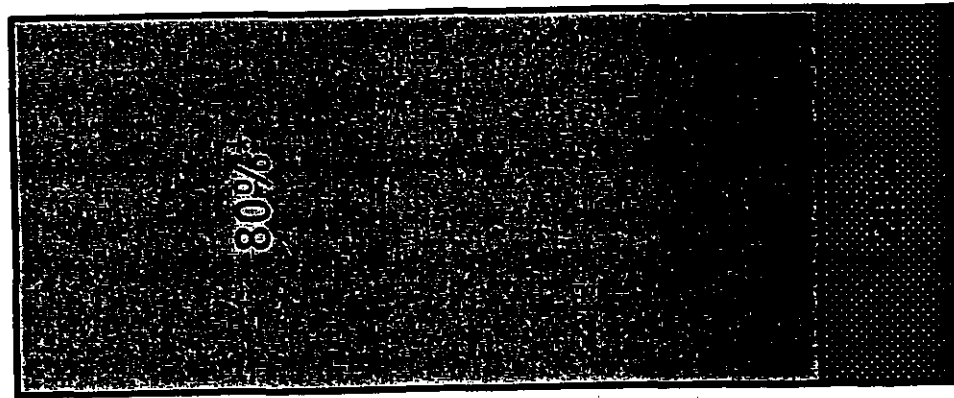
Current Leon
County Funding
Mechanism

PROGRAM FUNDING ALTERNATIVES

Conventional Premium Plan - Non-Participating

- Full Premium remitted monthly includes:
 - administrative expenses,
 - claim reimbursements, reserves
- Fully pooled
- Least cash flow fluctuation for the employer
- No deficits/No surpluses

**Expected
Claims**



Retention



Claims Adjudication
Pooling Charges
Taxes
Administration
Profit

*Approximate - varies by insurer

PROGRAM FUNDING ALTERNATIVES

Conventional Premium Plan - Participating

6%
77%
5%*
27%

Margin

- Full Premium remitted monthly
- Retrospective accounting completed 3-4 months after plan year
- Surplus returned or deficit is carried forward for future recovery
- Margin included
- COBRA rates and contributions should be set based on maximum liability and not expected claims

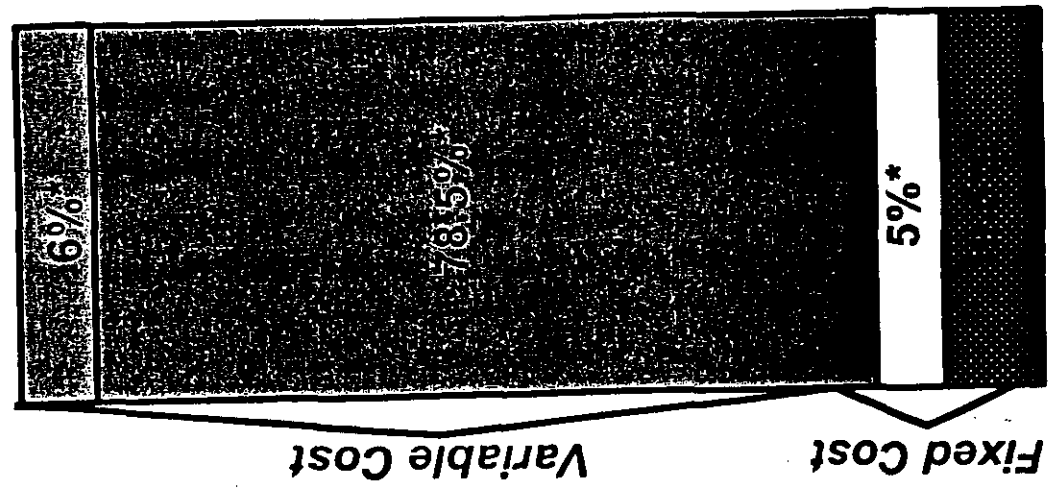
Expected
Claims

Catastrophic
Pooling
Retention

*Approximate - varies by insurer

PROGRAM FUNDING ALTERNATIVES

Minimum Premium Plan



- Premium is unbundled
 - Administrative expenses and pooling remitted monthly
 - Claim reimbursements (wire transfer, EFT, check)
 - Reserves - held by the employer or remitted as premium
 - Margin only if needed
- Maximizes cash flow for the employer
- Unused money allocated for claims retained by employer
- Savings of premium tax (approximately 1.5%)
- Monthly maximum liability provides budgetable cap
- Insurer retains legal and fiduciary responsibility

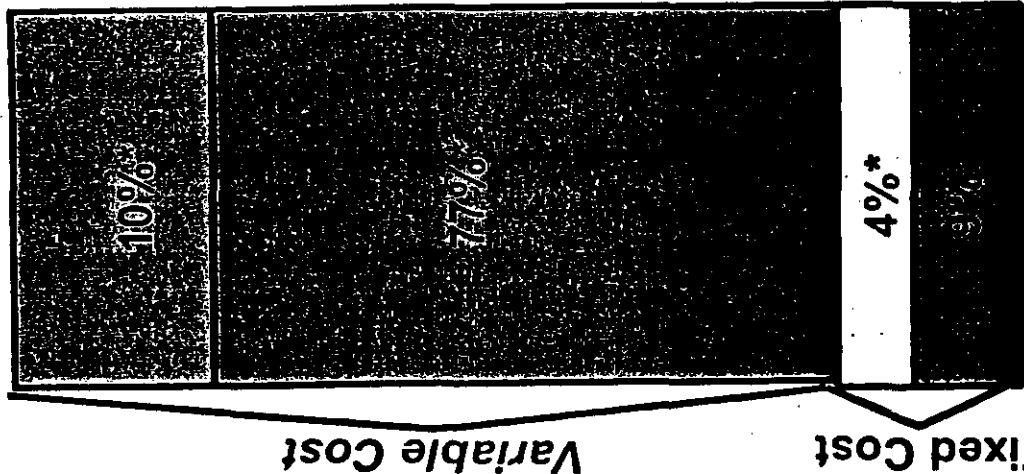
Catastrophic Pooling Retention

*Approximate - varies by insurer

PROGRAM FUNDING ALTERNATIVES

Self-Funding/Administrative Services Only (ASO)

	<ul style="list-style-type: none"> • Unbundling of services is possible • Claims adjudicated by third party administrator or insurance company • Plan costs equal: <ul style="list-style-type: none"> - Administrative expenses - Claim reimbursements - Specific and aggregate stop-loss • Risk charges are eliminated • State mandated benefits not required
Margin	
Expected Claims	
Catastrophic Pooling	<ul style="list-style-type: none"> • Lower cost for administration and stop-loss premiums
Retention	<ul style="list-style-type: none"> • Reserves are employer's responsibility



*Approximate - varies by insurer

The Cost Component of a Self Funded Arrangement

Fixed Costs

- Administration (Retention) fees for claims adjudication and services (generally including preparation of plan document, booklet printing, eligibility, network access, utilization review, etc.).
- Excess Stop Loss (Reinsurance) - Premium paid to insurance carriers to protect financial integrity of plan against catastrophic or "abnormal" claim occurrence.

Variable Costs

- Claims.
- IBNR (Incurred but not Reported claims) Reserves.

Types of Excess Stop Loss Insurance

- Specific
 - This coverage pays a reimbursement to the plan after the plan pays claims for an individual member over a certain deductible amount during one policy year
- Aggregate
 - This coverage pays a reimbursement to the plan after total non - specific claims paid during the entire policy year exceed the aggregate deductible level.

Types of Stop Loss Policies -- Individual Stop Loss (ISL)

- Individual Stop Loss (a.k.a. Specific Stop Loss) – ISL
 - Reimburses the employer for claims incurred by a single individual that exceed a certain dollar amount (deductible) in the policy period (e.g. claims in excess of \$50,000, \$75,000, \$100,000, etc.)
 - Typically only covers medical (and Rx) claims
 - Rates usually provided on two tier basis – Employee Only or Family
 - Individual stop loss rates typically higher than aggregate stop loss rates
 - Reimbursements are usually paid at the time the claims exceed the deductible

Types of Stop Loss Policies - Aggregate Stop Loss (ASL)

- Aggregate Stop Loss (ASL)
 - Reimburses for claims exceeding total annual "expected claims" by a predetermined percentage that is known as the "corridor".
 - Typically covers medical/Rx claims only.
 - The corridor usually ranges from 20% - 25% above "expected" claims:
 - The corridor is added to expected claims to determine the attachment factor.

Example (Composite Monthly Factor):

Exp. Claims PEPM		Corridor		Monthly Attachment Factor
\$300	x	125%	=	\$375

Specific and Aggregate Contract Types

Contract Types - Based upon the Incurred and Paid dates of the claims reimbursed by the employer's plan.

- Incurred Date of Claim - date service was performed.
- Paid Date - Usually the date when claim draft or check has been mailed by administrator.

Specific (ISL) Stop Loss Contract - Reimburses Employer for claims exceeding the individual deductible level up to the overall maximum specific benefit (which is normally the individual plan maximum in plan document less the specific deductible). Pays 100% over deductible to maximum. Common contract terms include:

- Incurred in 15 / Paid in 12 - Common for Takeover from self-funded contract with no run-out protection
- Incurred in 18 / Paid in 12 - Also used in Takeover contract, but not as common as 15 / 12
- Incurred in 12 / Paid in 12 - Common for Takeover from a Fully Insured Plan
- Paid in 12 - Common in Renewal years of Specific contracts
- Incurred 12 / Paid 15 - Common for Takeover from existing 12/15 contracts

Aggregate Insurance - This coverage reimburses the plan after claims reach a certain dollar level for the entire plan for one plan year. The aggregate deductible is usually set at 120 - 125% of claims expected by the underwriter.

- Same types of Incurred / Paid contracts as Individual Stop Loss contracts.

July 28, 2005

RECEIVED BY

AUG 01 2005

LEON COUNTY
HUMAN RESOURCES

Ms. Lillian W. Bennett
Director of Human Resources
Leon County Board of County Commissioners
301 S. Monroe Street
Tallahassee, FL 32301

Dear Ms. Bennett:

Attached please find a copy of the "White Paper" I mentioned in my most recent correspondence to you. I believe the information contained in this document would be an excellent basis for our future discussions. I hope you also find it of value.

Please give me a call should you have any questions.

Sincerely,

Gloria Hall McNeil
Gloria Hall McNeil
Director - Human Resources

GHM/S/p

Attachment

cc: Anita Favors Thompson, City Manager
Jim Parry, Leon County Schools
Glory Parton, Human Resources
Catherine Shoultz, Human Resources
Amy Cox, Leon County Human Resources

8

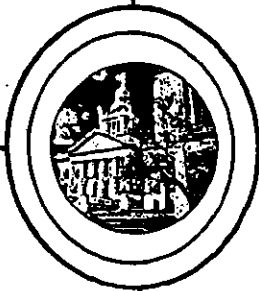


Tallahassee

Pooling Arrangement

May 2005

8

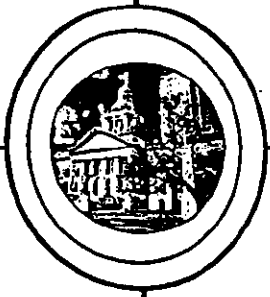


Health Care Pooling

Health care pooling sometimes referred to as "group purchasing," is a concept that has been around for many years, and has been heard about more frequently lately. As health care costs continue to rise by double-digit percentages, everyone is looking for ways to stop or at least mitigate the cost increases. One such way that is sometimes discussed, particularly among employer groups, is health care pooling (herein referred to as "pooling").

Employer pooling arrangements can vary widely in complexity and effectiveness. When exploring the feasibility of pooling, there are numerous factors that should be taken into consideration. We have separated the factors into four broad categories for discussion purposes. Each category is then discussed in more detail below.

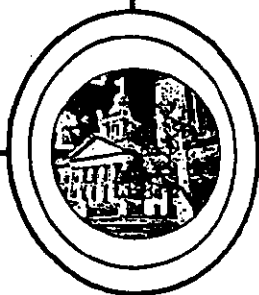
1. Group formation
2. Plan fundamentals
3. Plan administration
4. Special plan considerations



1. Group formation

- Purchasing group eligibility
- Decision-making authority
- Contractual issues
- Legal constraints

In creating a pooling arrangement, the first task is to form the "purchasing group". The purchasing group is generally a core group of employers that have similar issues and goals. This group serves as the foundation of the purchasing group and determines the future direction of the group. Often the core group creates a formal contractual arrangement for participation. This may include the eligibility and term requirements for participation, the rights and responsibilities of participating employers, the decision-making process, and authority levels. As with any group initiative, one of the difficulties is determining where the ultimate decision-making authority should lie. A group initiative among employer groups can be difficult because each entity has historically had decision-making authority over its own health plan, and may now have to give up all or some authority and/or consider the goals of the group in addition to (or sometimes in lieu of) its own goals. The group must also agree upon the extent to which participating employer plans will be pooled together. For the greatest economies of scale, the group would agree to participate in a consolidated contractual arrangement with a health plan vendor; however, this is often the most difficult goal to achieve. Legal constraints, imposed by federal, state, or local governments, may exist as well and post additional challenges.

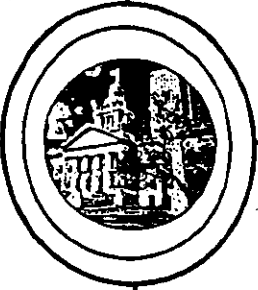


sources. Inevitably one group subsidizes the other, (which is the basis of "pooling" and insuring risk), and there are financial "winners" and "losers" in any given time period.

3. Plan administration

- Eligibility
- Reporting
- Billing
- Rate development

The day-to-day operations involved in the administration of a health plan is a complex process for any employer and can be exponential when done on a group purchasing basis. While there have been significant advancements in technology in the past decade, the variations in capabilities between employer groups, as well as health plan vendors, is vast. Some health plans allow employers to transmit eligibility data via the Internet, while others require weekly or monthly file or tape feeds generated from the payroll system. Some employer groups have Internet capabilities, while others do not. Some employers do not utilize one payroll system for their groups and cannot generate a file or tape feed, and use paper forms to transfer eligibility information. Combining the various eligibility functions of each employer into one pooled format can be a complicated prospect. Plan reporting is generally not a complex function, although setting up the plan to accommodate the needs of each employer is a critical step. Similar to eligibility, the billing function can be complex and becomes more so when multiple groups are involved. Insured rates charged by



2. Plan fundamentals

- Plan design
- Funding
- Cost allocation

Once the purchasing group has been formed, a strategic direction should be determined, encompassing the basics of creating and administering a health plan. If the group agrees to contract under a single arrangement, all the fundamentals outlined above must be discussed and negotiated within the group. What type of plan design is desired? Are managed care plans acceptable? Is a "network only" plan, such as an HMO, feasible? Is one plan option sufficient, or are multiple options desirable? How should the plan be funded? Employer size, risk tolerance, budget flexibility, and financing philosophy generally determine what type of funding arrangement is most appropriate for an employer group. For example, large employer groups tend to favor self-funding, while smaller employers are often fully insured. Differences in any of these components among the employer groups can increase the complexity of the pooling arrangement. Additionally, there are other important questions that have to be considered such as, once the funding arrangement is agreed upon, how will the costs be allocated? Will the entire group be "pooled" together so that each employer funds an equal share per participant? While this arrangement works well for single employer group that consists of numerous subsidiaries or operating units, it may not be appropriate or acceptable to distinct employer groups with different funding

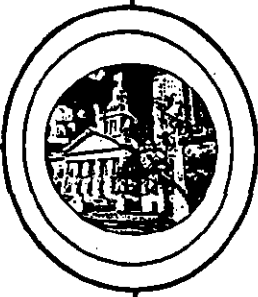


health plan vendors (for fully-insured groups) depend largely on the plan design and demographics of the group. If a high-risk group's experience is blended with a lower risk group's experience, the high-risk group essentially shifts some of its cost, and the lower-risk group subsidizes the cost of the high-risk group. As noted previously, with different funding sources and risk profiles, this may not be a desirable result for some employer groups. Conversely, for self-funded plans, the Administrative fees charged are largely dependent upon the plan design and size of the group. Therefore, the larger the group and more consolidated the administration, the lower the administrative fees, which favors a pooled approach for all parties involved.

4. Special plan considerations

- Risk level of groups
- Impact of unionized participants vs. non-unionized
- Retirees

There are several other group-specific issues that can affect the feasibility of a group purchasing arrangement that should be taken into consideration. For Tallahassee, these can include the varying risk levels of some of the groups that may join, such as police and fire departments. Unionization may constrain the ability to select plans, plan designs, and the funding mechanisms. Bargaining agreements also tend to require long lead times for negotiations. Extending health plan coverage for retirees can be a costly, but many times, necessary benefit. The implementation of GASB



financial reporting requirements adds another level of complexity to the accounting of the benefits for these participants.

Because of the issues outlined above, the feasibility of a pooling or group purchasing arrangement should be closely examined before undertaking such a project. Detailed discussions about the potential advantages and disadvantages, challenges and risks of such an arrangement should be clearly defined and evaluated on a group-specific basis. Given the right combination of employers and conditions, some economies of scale are possible. Conversely, if all risks are not quantified, the financial and non-financial ramifications could be undesirable, at minimum, for an employer.